

**Audit Report on Financial Statements  
issued by an Independent Auditor**

**PROMOTORA DE INFORMACIONES, S.A.  
Financial Statements and Management Report  
for the year ended  
December 31, 2023**

## **AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR**

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of PROMOTORA DE INFORMACIONES, S.A.:

### **Report on the financial statements**

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#### **Opinion**

We have audited the financial statements of PROMOTORA DE INFORMACIONES, S.A. (the Company), which comprise the balance sheet at December 31, 2023, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

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#### **Basis for opinion**

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

### *Measurement of investments in group companies and associates*

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**Description** As explained in notes 7.1.1 and 16 to the accompanying financial statements, at December 31, 2023, the Company recorded investments in group companies and associates amounting to 1,209,997 thousand euros, net of impairment amounting to 252,974 thousand euros, in “Non-current investments in group companies and associates” and loans to group companies and associates amounting to 13,800 thousand euros in “Current investments in group companies and associates.”

Company management assesses, at least at the end of each reporting period, whether there are indications of impairment and writes down these investments whenever there is objective evidence that the carrying amount of the investment is no longer recoverable, recognizing an impairment loss for the amount of the difference between carrying amount and recoverable amount. Where there are potential indications that these investments may be impaired, recoverable amount is determined taking into account their value in use.

Since determining the recoverable amount of these investments requires the use of estimates, for which management must make judgments to establish the assumptions underlying those estimates, and due to the significance of the amounts involved, we determined this to be a key audit matter.

Disclosures on the measurement standards and principal assumptions used to determine impairment losses on non-current investments in group companies and associates are provided in notes 7.1.1 and 16 to the accompanying financial statements.

### Our response

Our audit procedures related to this matter included, among others:

- ▶ Understanding the process designed by management to determine whether there are indications of impairment and to determine the recoverable amount of the investments in group companies and associates, and assessing the design and implementation of the relevant controls in place in that process.
- ▶ Evaluating management's analysis of indications of impairment of investments in group companies and associates.
- ▶ Revising the models used by management to determine recoverable amount, in collaboration with our valuation specialists, addressing specifically the mathematical consistency of the models and the reasonableness of the projected cash flows and the discount and long-term growth rates. In performing our review, we interviewed the people in charge of preparing the models and utilized recognized external sources and other available information to contrast data, as well as the business plans approved by the Company's governing bodies.
- ▶ Reviewing the sensitivity analyses performed by management on the estimates made to determine the recoverable amount, in the event of changes in the relevant assumptions made.

- ▶ Reviewing the disclosures made in the notes to the financial statements, assessing whether they are in conformity with the applicable financial reporting framework.

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*Evaluating the impact and accounting recognition of the issue of convertible bonds*

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**Description** In 2023, the PRISA Group issued convertible bonds amounting to 130,000 thousand euros, and subsequently repaid part of the junior syndicated debt in advance and converted the related bonds to shares. These transactions were executed in the terms described in notes 1b), 4d) and 9 to the accompanying financial statements.

Due to the complexity of the bond issue carried out by management and of determining the related impact for accounting purposes, and given the materiality of the effect of this transaction on the financial statements, we determined this to be a key audit matter.

The disclosures regarding the measurement rules and key considerations used to determine the accounting impact of this transaction are provided in notes 1b), 4d) and 9 to the accompanying financial statements.

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**Our  
response**

Our audit procedures related to this matter included, among others:

- ▶ Reviewing the documentation supporting the convertible bond issue and checking that it was correctly measured and accounted for.
- ▶ Assessing, in collaboration with our financial instrument specialists, the reasonableness of the analysis conducted by management to determine the equity and financial liability component related to the bond issue, verifying that it was consistent with the applicable financial reporting framework.
- ▶ Reviewing the documentation supporting the early partial repayment of the junior syndicated debt.
- ▶ Reviewing the documentation supporting the early conversion of part of the convertible bonds to shares.
- ▶ Reviewing the disclosures made in the notes to the financial statements, assessing whether they are in conformity with the applicable financial reporting framework.

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**Other information: management report**

Other information refers exclusively to the 2023 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

- a. Checking only that the non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

- b. Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2023 financial statements and its content and presentation are in conformity with applicable regulations.

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### **Responsibilities of the directors and the Audit, Risk and Compliance Committee for the financial statements**

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit, Risk and Compliance Committee is responsible for overseeing the Company's financial reporting process.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit, Risk and Compliance Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit, Risk and Compliance Committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit, Risk and Compliance Committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **Report on other legal and regulatory requirements**

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### **European single electronic format**

We have examined the digital file of the European single electronic format (ESEF) of PROMOTORA DE INFORMACIONES, S.A. for the 2023 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included in the management report for reference.

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

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#### **Additional report to the Audit, Risk and Compliance Committee**

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit, Risk and Compliance Committee on March 12, 2024.

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#### **Term of engagement**

The Ordinary General Shareholders' meeting held on June 27, 2023 appointed us as auditors for the year ended December 31, 2023.

Previously, the General Shareholders' meeting held on June 29, 2020 appointed us as auditors for three years, commencing on December 31, 2020 and since then we have been carrying out our work as auditors.

ERNST & YOUNG, S.L.  
(Registered in the Official Register of  
Auditors under No. S0530)

(signed on the original version In Spanish)

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Ana María Prieto González  
(Registered in the Official Register of  
Auditors under No. 18888)

March 12, 2024

A photograph of a person's hands holding a pen over a tablet on a desk. In the background, there is a keyboard and a mouse. The person is wearing a light blue shirt. The scene is brightly lit, suggesting an office environment.

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

Financial Statements and Directors' Report for 2023,  
together with Auditors' Report

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In this sense, this translation has been carried out by the Company, under its sole responsibility, and its not considered official or regulated information. In the event of a discrepancy, the Spanish-language version prevails.*



**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

Individual Financial Statements and Directors' Report for 2023

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

Individual Financial Statements for 2023

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**  
**BALANCE SHEET AT DECEMBER 31, 2023**  
(in thousands of euros)

ASSETS		Notes	Year 2023	Year 2022	EQUITY AND LIABILITIES		Notes	Year 2023	Year 2022
<b>A) NON-CURRENT ASSETS</b>			<b>1,215,806</b>	<b>1,270,536</b>	<b>A) EQUITY</b>			<b>323,337</b>	<b>282,547</b>
I. INTANGIBLE ASSETS					A-1) Shareholders' equity	9	323,337	282,547	
1. Computer software		5	57	66	I. SHARE CAPITAL		100,827	74,065	
II. PROPERTY, PLANT AND EQUIPMENT		6	406	444	II. SHARE PREMIUM		89,346	17,088	
1. Other fixtures and furniture			232	257	III. RESERVES		281,267	282,751	
2. Other items of property, plant and equipment			174	187	1. Legal and bylaw reserves		12,646	12,646	
III. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES		7.1	1,209,997	1,265,801	2. Other reserves		268,621	270,105	
1. Equity instruments			1,209,997	1,265,801	IV. LOSS FROM PREVIOUS YEARS		(90,956)	-	
IV. NON-CURRENT FINANCIAL ASSETS		7.1	5,300	4,132	V. TREASURY SHARES		(1,449)	(401)	
1. Derivates			5,145	3,977	VI. PROFIT (LOSS) FOR THE YEAR		(85,725)	(90,956)	
2. Other financial assets			155	155	VII. OTHER EQUITY INSTRUMENTS		30,027	-	
V. DEFERRED TAX ASSETS		10	46	93	<b>B) NON-CURRENT LIABILITIES</b>		<b>881,800</b>	<b>973,464</b>	
<b>B) CURRENT ASSETS</b>			<b>28,626</b>	<b>28,818</b>	I. LONG-TERM PROVISIONS	13	2,519	2,145	
I. NON-CURRENT ASSETS HELD FOR SALE		7.2	85	210	II. NON-CURRENT PAYABLES	7.3	879,281	971,319	
II. TRADE AND OTHER RECEIVABLES			3,117	2,445	1. Bank borrowings		1,026	971,319	
1. Trade receivables for services		7.1	40	25	1. Obligaciones y otros valores negociables		878,255	-	
2. Receivable from Group companies and associates		7.1 and 16	2,111	1,410	<b>C) CURRENT LIABILITIES</b>		<b>39,295</b>	<b>43,343</b>	
3. Employee receivables		7.1	12	4	I. SHORT-TERM PROVISIONS	13	3,320	3,320	
4. Tax receivables		10	953	992	II. CURRENT PAYABLES	7.3	26,506	22,835	
5. Other receivables		7.1	1	14	1. Bank borrowings	7.3 and 8	16,506	12,477	
III. CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES		7.1 and 16	13,800	15,730	2. Other financial liabilities		10,000	10,358	
1. Loans to companies			13,800	15,730	III. CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES	7.3 and 16	5,779	13,052	
IV. CURRENT FINANCIAL INVESTMENTS		7.1	1,185	-	IV. TRADE AND OTHER PAYABLES		3,690	4,136	
1. Other financial assets			1,185	-	1. Payable to suppliers	7.3	-	42	
V. CURRENT PREPAYMENTS AND ACCRUED INCOME		8	137	238	2. Payable to suppliers, Group companies and associates	7.3 and 16	158	281	
VI. CASH AND CASH EQUIVALENTS			10,302	10,195	3. Sundry accounts payable	7.3	2,090	2,879	
1. Cash			10,302	10,195	4. Remuneration payable	7.3	886	685	
					5. Tax payables	10	556	249	
<b>TOTAL ASSETS</b>			<b>1,244,432</b>	<b>1,299,354</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,244,432</b>	<b>1,299,354</b>	

*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.*

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**  
**INCOME STATEMENT FOR YEAR 2023**  
(in thousands of euros)

	Notes	Year 2023	Year 2022
<b>A) CONTINUING OPERATIONS</b>			
1. Revenue			
a) Services	16	4,839	4,412
b) Income from equity investments	16	1,852	3,796
2. Other operating income		37	111
3. Staff costs			
a) Wages, salaries and similar expenses	11	(4,654)	(4,067)
b) Employee benefit costs		(771)	(740)
4. Other operating expenses			
a) Outside services	11	(5,909)	(7,000)
b) Taxes other than income tax		(38)	(37)
c) Impairment and other losses		-	263
5. Depreciation and amortization charge	5 and 16	(78)	(953)
<b>PROFIT/LOSS FROM OPERATIONS</b>		<b>(4,722)</b>	<b>(4,215)</b>
6. Finance income			
a) From loans to Group companies and associates	16	41	9
b) Other finance income		3,156	1
7. Fair value of financial instruments	12	(14,473)	(3,871)
8. Finance costs and similar expenses:			
a) On debts to Group companies	16	(269)	(751)
b) On debts to third parties and similar expenses	12	(79,559)	(91,061)
9. Exchange differences		(3)	5
10. Impairment of financial instruments			
a) Impairment and other losses	7.1 and 13	5,477	(647)
<b>NET FINANCIAL RESULT</b>	<b>12</b>	<b>(85,630)</b>	<b>(96,315)</b>
<b>PROFIT / LOSS BEFORE TAX</b>		<b>(90,352)</b>	<b>(100,530)</b>
11. Income tax	10	5,029	9,642
<b>PROFIT/ LOSS FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(85,323)</b>	<b>(90,888)</b>
<b>B) DISCONTINUED OPERATIONS</b>			
	7.2	(402)	(68)
<b>PROFIT/ LOSS FOR THE YEAR</b>		<b>(85,725)</b>	<b>(90,956)</b>

*The accompanying Notes 1 to 21 and Appendices I and II are an integral part of the income statement for year 2023*

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

**PROMOTORA DE INFORMACIONES, S.A.**  
**STATEMENT OF CHANGES IN EQUITY FOR YEAR 2023**

**A) STATEMENT OF COMPREHENSIVE INCOMES AND EXPENSES FOR YEAR 2023**  
(in thousands of euros)

	Year 2023	Year 2022
<b>A) Profit/(Loss) per income statement</b>	<b>(85,725)</b>	<b>(90,956)</b>
<b>Income and expense recognized directly in equity</b>		
Arising from revaluation of financial instruments (Note 7.1)	-	
Other income and expenses charged directly to equity	-	
Tax effect	-	
<b>B) Total income and expense recognized directly in equity</b>	<b>-</b>	
<b>Transfers to profit or loss</b>		
Arising from revaluation of financial instruments	-	
Tax effect	-	
<b>C) Total transfers to profit or loss</b>	<b>-</b>	
<b>TOTAL RECOGNIZED INCOME AND EXPENSE</b>	<b>(85,725)</b>	<b>(90,956)</b>

The accompanying Notes 1 to 21 and Appendices I and II are an integral part of the statement of comprehensive incomes and expenses for year 2023

**PROMOTORA DE INFORMACIONES, S.A.**  
**STATEMENT OF CHANGES IN EQUITY FOR YEAR 2023**  
**B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR YEAR 2023**  
(in thousands of euros)

	Share capital	Share premium	Other Reserves	Legal reserve	Reserves for current tax	Reserves for treasury shares	Voluntary reserves	Reserves	Loss from previous years	Treasury shares	Profit (Loss) for the year	Other Equity Instruments	Equity
<b>Balance at December 31 2021 (Note 9)</b>	70,865	-	267,418	7,087	-	1,320	1,441	277,266	(49,144)	(1,320)	55,593	-	353,240
<b>I. Total recognized income and expense</b>													
1. Profit (Loss) for the year													
2. Valuation of financial instruments													
<b>II. Transactions with shareholders or owners</b>													
1. Capital Increases / Decreases													
- Share Capital	3,200	17,088											3,200
- Share Premium													17,088
2. Treasury share transactions													
- Delivery of treasury shares						(2,308)	(774)	(3,082)		2,308			(774)
- Purchase-Sale of treasury shares						87	(87)	-		(87)			(87)
- Provision for treasury shares						1,302	1,302	1,302		(1,302)			-
<b>III. Other changes in equity</b>													
- Distribution of 2021 profit				5,559			890	6,449	49,144		(55,593)		816
- Other							816	816					
<b>Balance at December 31 2022 (Note 9)</b>	74,065	17,088	267,418	12,646	-	401	2,286	282,751	-	(401)	(90,956)	-	282,547
<b>I. Total recognized income and expense</b>													
1. Profit (Loss) for the year													
2. Valuation of financial instruments													
<b>II. Transactions with shareholders or owners</b>													
1. Capital Increases / Decreases													
- Share Capital	26,762	72,258											
- Share Premium													
2. Treasury share transactions													
- Delivery of treasury shares						(1,600)	619	(981)		1,600			619
- Purchase-Sale of treasury shares						1,650	(1,650)	-		(1,650)			(1,650)
- Provision for treasury shares						998	998	998		(998)			-
3. Issue of Equity instruments													
4. Conversion of financial liabilities in Equity							(258)	(258)				126,003	126,003
<b>III. Other changes in equity</b>													
- Distribution of 2022 profit					270		(1,513)	(1,243)	(90,956)		90,956	3,044	2,786
- Other													(1,243)
<b>Balance at December 31 2023 (Note 9)</b>	100,827	89,346	267,418	12,646	270	1,449	(516)	281,267	(90,956)	(1,449)	(85,725)	30,027	323,337

**PROMOTORA DE INFORMACIONES, S.A.**  
**STATEMENT OF CASH FLOW FOR YEAR 2023**  
**(in thousands of euros)**



	Year 2023	Year 2022
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES (+/-1+/-2+/-3+/-4)</b>	<b>(26,325)</b>	<b>(52,702)</b>
1. Profit / Loss before tax	(90,352)	(100,530)
2. Adjustments for	84,239	92,360
a) Depreciation and amortization charge (+)	78	953
b) Impairment of non-current financial assets (+/-)	(5,477)	647
Impairment losses recognised for financial assets	(5,477)	647
c) Finance income (-)	(3,197)	(10)
d) Finance costs (+)	94,304	95,678
e) Dividends received	(1,852)	(3,796)
f) Impairment losses and gains	-	(263)
g) Other income and expenses	383	(849)
3. Changes in working capital	(80)	236
a) Trade and other receivables (+/-)	182	(317)
b) Current prepayments and accrued income	101	(15)
c) Trade and other payables (+/-)	(363)	568
4. Other cash flows from operating activities	(20,132)	(44,768)
a) Interest paid (-)	(69,134)	(27,793)
b) Dividends received (+)	43,146	3,796
c) Interest received (+)	51	-
d) Income tax recovered (paid) (+/-)	9,190	136
e) Other amounts received (paid) relating to operating activities (+/-)	(3,385)	(20,907)
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES (6-5)</b>	<b>19,910</b>	<b>(20,305)</b>
5. Payments due to investment (-)	(118)	(20,848)
a) Group Companies and associates	(87)	(20,623)
b) Intangible assets	(19)	(20)
c) Property, plant and equipment	(12)	(205)
6. Proceeds from disposal (+)	20,028	543
a) Group Companies and associates	20,028	543
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES (+/-7+/-8+/-9)</b>	<b>6,522</b>	<b>72,438</b>
7. Proceeds and payments relating to equity instruments	125,874	(87)
a) Issue of Equity instruments	127,524	-
b) Adquisition of Equity instruments	(1,898)	(626)
c) Disposals of Equity instruments	248	539
8. Proceeds and payments relating to financial liability instrument	(119,087)	72,525
a) Issue	-	88,526
Bank Borrowing	-	88,526
b) Repayment and amortization	(119,087)	(16,001)
Bank Borrowing	(110,000)	-
Group Companies and associates Borrowing	(9,087)	(16,001)
9. Dividends paid and other Equity instruments payments	(265)	-
<b>D) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C)</b>	<b>107</b>	<b>(569)</b>
Cash and cash equivalents at beginning of year	10,195	10,764
Cash and cash equivalents at end of year	10,302	10,195

The accompanying Notes 1 to 21 and Appendices I and II are an integral part of the statement of cash flows for year 2023

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)****NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR 2023****1.- COMPANY ACTIVITIES AND PERFORMANCE****a) Company activities**

Promotora de Informaciones, S.A. (“Prisa” or “the Company”) was incorporated on January 18, 1972, and has its registered office in Madrid, at Gran Vía, 32. Its business activities include, *inter alia*, the exploitation of media in any format, including the publication of newspapers and educational material, the holding of investments in companies and businesses and the provision of all manner of services.

In view of the business activity carried on by the Company, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

In addition to the business activities carried on directly by it, the Company heads a group of subsidiaries, joint ventures and associates which engage in a variety of business activities and which compose Promotora de Informaciones, S.A. and subsidiary companies (“the Prisa Group” or “the Group”). Therefore, in addition to its own separate financial statements, Prisa is obliged to present consolidated financial statements for the Group prepared in accordance with International Financial Reporting Standards (IFRSs) as approved by European Commission Regulations. The main aggregates of the PRISA Group’s consolidated financial statements in terms of total asset, equity and net revenues amount to EUR 974,767 thousand, EUR 428,150 negative thousand and EUR 929,440 thousand respectively in 2023.

The Group’s consolidated financial statements for 2022 were approved by the shareholders at the Annual General Shareholders’ Meeting held on June 27, 2023 and deposited in the Mercantile Register of Madrid.

The consolidated financial statements for 2023 were authorized for issue by the Company’s Directors on March 12, 2024 for submission to the approval of the General Meeting of Shareholders, it being estimated that they will be approved without modification.

These financial statements are presented in thousands of euros as this is the currency of the main economic area in which the Company operates.

The shares of Prisa are admitted to trading on the continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia).



**b) Evolution of the equity and financial structure of the Company**

During last year and in the present, the Administrators of Prisa have taken a number of measures to strengthen the Company's financial and asset structure, such as asset sale operations, capital increases and refinancing of its debt.

In 2020, Vertix, SGPS, S.A. (subsidiary fully owned by PRISA) sold its entire shareholding in Grupo Media Capital, SGPS, S.A. (Media Capital) for a total price of EUR 47.4 million, which implied an accounting loss of EUR 77 million. This amount, net of costs, was destined to partial repayment of syndicated loan of the Group existing at that time.

On June 29, 2020, the Prisa's General Shareholder Meeting agreed to reduce in share capital of the Company in order to reestablish its equity balance. Therefore, since June 30, 2020, and at December 31, 2023, the Company's equity is greater than two thirds of the capital stock, which is why it was in a situation of equity balance at that date.

On October 19, 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K-12 and K-12 segments ("Santillana Spain"). Santillana's activity in public and private markets in Latin America was excluded from the transaction and continues to be developed by Prisa through Santillana. On December 31, 2020, the transaction was closed at an enterprise value of EUR 465 million and it meant a total cash obtained from the buyer of EUR 418 million. EUR 375 million of the cash obtained was destined to partial repayment of syndicated loan of PRISA existing at that time.

On April 19, 2022, the amendment of the Group's syndicated financial debt (the "Refinancing") entered into force, which consisted, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027, the division of the syndicated loan into two differentiated tranches (one of Senior debt and one of Junior debt) and the flexibilization of the contractual commitments of the current debt that allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts. Likewise, terms of the Super Senior debt of the Company were modified, that, among others terms, supposes an extension of the maturity of the debt to June 2026.

The agreed New Refinancing thus make the Group's financial debt more flexible and provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds (with pre-emptive subscription rights for PRISA shareholders) mandatorily convertible into newly issued ordinary shares of the Company. This issue took place through a public offer for subscription of up to a total of EUR 130 million, by issuing and putting into circulation up to a total of 351,350 convertible bonds. The maturity date of these convertible bonds and conversion into new shares will be on the fifth anniversary of the issue date, with a conversion price of EUR 0.37 per new share having been set. The convertible bonds will bear interest at a fixed annual (coupons) rate of 1.00% (which cannot be capitalised) and payable upon conversion into ordinary shares. In February 2023, convertible bonds amounting to a

total of EUR 130 million were subscribed, i.e. the full amount of the offer. The issuance of the mentioned bond, which is mandatorily convertible into shares, has been classified as a compound financial instrument, and it has been primarily recorded within the equity of the Company (*see note 9*).

In May and November 2023, and in accordance with the conversion schedule planned in the issuance of the aforementioned subordinated bonds (which set semi-annual early conversion windows at the discretion of the holders of such bonds) 267,621 subordinated bonds were converted, which has led to the issuance of 267,621,000 newly issued ordinary shares of the Company, in accordance with the conversion price fixed (*see note 9*).

The issue was configured as an instrument to reduce PRISA's syndicated financial debt, which is linked to a variable interest rate and which was refinanced in April 2022. This has enabled the Company to raise the funds necessary, mainly, to partially pay off early the tranche of the PRISA's syndicated financial debt that constitutes its largest interest financial expense, i.e. the Junior debt tranche, which is benchmarked at Euribor+8% (including cash and capitalisable cost), which as at 31 December 2022 totalled EUR 192,013 thousand (*see note 7.3*). In February, 2023 the Company cancelled EUR 110,000 thousand of Junior debt. The remaining amount up to EUR 130 million (net of operation costs) was destined to meet the Group's operational needs.

Due to the communication of the second Issuance of subordinated bonds mandatorily convertible into newly issued ordinary shares of the PRISA (*see note 20*), the Board of Directors of PRISA agreed, on January 30, 2024, to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 in accordance with its provisions of terms and conditions. This has led to a conversion and early amortization of 20,287 subordinated obligations, which has entailed the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, has been set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

#### *Developments and impacts of the war in Ukraine and Israeli-Hamas conflict*

In recent years, the Group has undertaken its activities in the following areas in a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This complex environment has been greatly exacerbated by several events that have a major impact at the global level, like was the COVID-19 pandemic and currently the war in Ukraine or the recent conflict between Israel and Hamas.

In February 2022, the Russian invasion of Ukraine took place, which led the European Union to adopt a series of individual measures and economic sanctions against Russia. It also caused great instability in international markets. Currently, the armed conflict, far from ending, continues to persist in the affected region. Likewise, in October 2023, the conflict between Israel and Hamas began, whose scope and magnitude is unknown today, including the possibility that it will extend to other countries in the region.

In particular, the war in Ukraine has led to a significant increase in inflation rates and higher energy prices since 2022. In addition, as a result of inflationary pressures, Central Banks have been raising interest rates during the last quarters which has led to an increase in the cost of financing for economic agents. All of the above has led to a slowdown in the global economy in 2022 extending into 2023, with the prospects for economic recovery still uncertain, depending on the duration of the war in Ukraine and the Middle East conflict, the normalisation of commodity supplies and the future behaviour of inflation and its return to normal rates. This slowdown in the global economy could turn into a prolonged period of low growth and high inflation (stagflation). During 2023, global growth is slowing as a result of the above developments, and although inflation is coming down in the last months (as a result of interest rate hikes by Central Banks), as are food and energy prices, core inflation is not falling at the same pace.

In general, both the Education and Media businesses tend to develop in a way that is very much subject to the macroeconomic environment. For example, on the cost side, raw materials, energy resources or distribution are being affected as a result of rising inflation and supply chain disruptions resulting from the environment. Moreover, in the case of Media, the performance of the advertising market is particularly affected. PRISA's activities and investments in Spain and Latin America are exposed to the development of the different macroeconomic parameters of each country, including the development of currency exchange rates.

Likewise, the increase in Euribor, the reference rate for the cost of most of the Group's financial debt, has a negative impact on the financial cost of the same and interest payments.

Considering the complexity of the markets due to their globalization the consequences for the Company's businesses are uncertain and will depend to a large extent on the impact of the events mentioned above. Therefore, at the date of authorized for issue of these financial statements, we have carried out an assessment and quantification of the impacts that have had, mainly, the war in Ukraine, and to a lesser extent, the Israeli-Hamas conflict and its associated adverse macroeconomic impacts on the Company as of December 31, 2023. There is still a high level of uncertainty about its consequences in the short and medium term.

Therefore, the Directors and Management of the Company have assessed the situation based on the best information available. For the reasons referred to above, such information may be incomplete. As a result of this assessment, we highlight the following:

- **Liquidity risk:** The situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Company has in place a Super Senior debt ("*Super Senior Term & Revolving Facilities Agreement*") to meet operational needs for a maximum amount of EUR 240,000 thousand, that are fully drawn as of December 31, 2023. The foregoing, together with the implemented specific plans for the improvement and efficient management of liquidity, will make it possible to deal with these tensions.
- **Risk of change in certain financial magnitudes:** the factors referred to above could adversely affect in the future to the subsidiaries companies' advertising revenues, the revenues of circulation and sale of education, to the extent that there is an increase in

costs or an adverse impact on revenues due to the current macroeconomic scenario, even though the Group has no trade relations with Ukraine, Russia or Israel. However, it is not possible at this stage to reliably quantify the impact of the above factors and events on future financial statements, given the constraints and limitations already indicated.

Likewise, the invasion of Ukraine and the Israeli-Hamas conflict and its macroeconomic impacts could also have an adverse impact on key indicators for the Company, such as financial leverage ratios and compliance with financial ratios included in the financial agreements of the Group. In this sense, with the agreed Refinancing in 2022, the Company's financial debt was made more flexible and endowed with a financial structure that makes it possible to meet its financial commitments (including financial ratios (covenants)).

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets of the Company (investments in Group companies and associates, receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be remeasured with the information available to date. This has meant that at December 31, 2023 there have been no significant changes in the estimates at the end of 2022 in relation to the previous magnitudes that have a negative impact on the financial statements, as consequence of the above events.
- Continuity risk (going concern): As of December 31, 2023, the Company had a negative working capital of EUR 10,669 thousand. However, the Company has always guaranteed its liquidity needs through credit lines with the Group's company Prisa Gestión Financiera, S.L. (Sociedad Unipersonal). In the light of all the above factors, the Directors of the Company consider that the application of the going concern principle remains valid.

Finally, we highlight that the Company's Directors and Management are constantly monitoring the situation so as to successfully address any impacts, both financial and non-financial, that may arise.

At December 31, 2023, the equity of the Company stood at EUR 323,337 thousand, over two thirds of total share capital, which is why it was in a situation of equity balance at that date.

As a consequence of the facts set out above, the Directors have applied the going concern principle.

## **2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

### **a) Fair presentation**

The accompanying financial statements for 2023 which were obtained from the Company's accounting records, are presented in accordance with the regulatory framework for financial

reporting applicable and, in particular, the accounting principles and criteria contained herein, presenting fairly the Company's equity, financial position, and of the results of its operations, the changes in its equity and the cash flows generated by the Company in the year then ended. The regulatory framework for financial reporting applicable considered is:

1. The Commercial Code and other corporate legislation.
2. Royal Decree 1514/2007, approving the Spanish National Chart of Accounts, which has been modified several times since its publication, the last one through Royal Decree 1/2021 of January 12 and its implementing regulations.
3. The obligatory legislation approved by the Institute of Accounting and Auditors of Accounts in development of the Spanish General Chart of Accounts and its complementary legislation.
4. Other applicable Spanish legislation.

These financial statements, which were formally prepared by the Company's directors on March 12, 2024, will be submitted for approval by the shareholders at the Annual General Shareholders' Meeting and it is considered that they will be approved without any changes. The 2022 financial statements were approved by the shareholders at the Annual General Shareholders' Meeting held on June 27, 2023.

#### **b) Comparison of information**

In accordance with company legislation, each item of the balance sheet, income statement, statement of changes in net equity and cash flow statement for 2023 is shown with the figure for previous year for comparison purposes. The notes to the financial statements also include quantitative information of the previous year, unless an accounting standard specifically establishes otherwise.

#### **c) Non-obligatory accounting principles**

No non-obligatory accounting principles were applied. Also, all obligatory accounting principles were applied.

#### **d) Key issues in the measurement and estimation of uncertainty**

The information in these financial statements is the responsibility of the Company's directors.

In the financial statements for 2023 estimates were occasionally made by executives of the Company in order to quantify certain assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The measurement of assets to determine the possible existence of impairment losses (*see notes 4c, 4d, 7.1 and 7.2*).
- The useful life of property, plant, and equipment, and intangible assets (*see notes 4a and 4b*).
- The hypotheses used to calculate the fair value of financial instruments (*see note 7*).
- The assessment of the likelihood and amount of undetermined or contingent liabilities (*see notes 4i and 13*).

- The recoverability of deferred tax assets (*see note 10*).
- Provisions for unissued and outstanding invoices.

Although these estimates were made on the basis of the best information available at the date of preparation of these financial statements on the events analysed, it is possible that events that may take place in the future force them to modify them, upwards or downwards. Changes in accounting estimates would be applied prospectively, recognizing the effects of the change in estimates in the future related income statements, as well as in assets and liabilities.

In 2023, there were no significant changes in the accounting estimates made at the end of 2022.

### 3.- ALLOCATION OF RESULT

The proposal for the distribution of the Company's loss for 2023 approved by the Company's Directors and that will be submitted for approval at the General Shareholders' Meeting is the following, in thousands of euros:

	<b>Amount</b>
<b>Basis of appropriation-</b> Result for the year	(85,725)
<b>Distribution-</b> Loss from previous years	(85,725)

### 4.- ACCOUNTING POLICIES

As indicated in Note 2, the Company applied accounting policies in accordance with the accounting principles and rules contained in the Code of Commerce, developed in the valid General Chart of Accounts (PGC 2007), and other corporate legislation in force as at the closing date of these financial statements. In this sense, the policies that specifically apply to the Company's activity and those considered meaningful according to the nature of its activities are detailed below.

#### a) Intangible assets

Intangible assets are recognized initially at acquisition price or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. Only assets whose cost can be estimated objectively and from which the Company considers it probable that future economic benefits will be generated are recognized. These assets are amortized over their years of useful life. When the useful lives of these assets can not be estimated reliably they are amortized over a period of ten years according to Royal Decree 602/2016 of December 2.

The "*Industrial property*" account includes the amounts paid for acquiring the right to use or register certain brands. These rights are amortized at a rate of 20% per year using the straight-line method.

"*Computer software*" includes the amounts paid to develop specific computer programs or the amounts incurred in acquiring from third parties the licenses to use programs. Computer

software is amortized using the straight-line method over a period ranging from four to six years, depending on the type of program or development, from the date on which it is brought into service.

#### **b) Property, plant and equipment**

Property, plant and equipment are recognized at acquisition price or production cost, net of the related accumulated depreciation and of any impairment losses.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized. Period upkeep and maintenance expenses are charged directly to the income statement for the year in which they are incurred.

Property, plant and equipment are depreciated by the straight-line method at annual rates based on the years of estimated useful life of the related assets, the detail being as follows:

	<b>Years of estimated useful life</b>
Other fixtures and furniture	10
Other items of property, plant and equipment	4-10

#### **c) Impairment losses for non-financial assets**

At each reporting date the Company reviews there is any indication that those assets might have suffered an impairment loss and, if any such indication exists, checks through the determined "impairment test" the possible existence of value losses that reduce the recoverable value of said assets to an amount lower than their book value.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is taken to be the present value of the estimated future cash flows to derive from the asset based on the most recent budgets approved by Management.

If the recoverable amount is lower than the asset's carrying amount, the related impairment loss is recognized in the income statement for the difference.

Impairment losses recognized on an asset in previous years are reversed when there is a change in the estimate of its recoverable amount by increasing the carrying amount of the asset up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset. The reversal of the impairment loss is recognized immediately as income in the income statement.

## d) Financial instruments

### Financial assets-

#### Classification and measurement

On initial recognition, the Company classifies all financial assets into one of the categories listed below, which determines the initial and subsequent measurement method that is applicable:

- Financial assets at fair value through profit and loss
- Financial assets at amortised cost
- Financial assets at cost

***Financial assets at fair value through profit and loss:*** The Company classifies a financial asset in this category unless it should be classified in any other category.

In any case, financial assets held for trading are included in this category. The Company considers a financial asset to be held for trading when at least one of the following three circumstances is met:

- It is originated or acquired for the purpose of selling it in the short term.
- It forms part, on initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent evidence of short-term profit-taking.
- It is a derivative financial instrument, provided that it is neither a financial guarantee contract nor designated as a hedging instrument.

In addition to the above, the Company has the option at initial recognition to designate a financial asset irrevocably as measured at fair value through profit or loss that would otherwise have been included in another category (often referred to as a 'fair value option'). This option may be chosen if it eliminates or significantly reduces a valuation inconsistency or accounting mismatch that would otherwise arise from valuing assets or liabilities on different bases.

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given. Directly attributable transaction costs are recognised in the profit and loss account for the year (i.e. they are not capitalised).

Subsequent to initial recognition, the Company measures financial assets in this category at fair value through profit or loss (financial result).

***Financial assets at amortised cost:*** The Company classifies a financial asset in this category, even when it is admitted to trading on an organised market, if the following conditions are met:

- The Company holds the investment under a management model whose objective is to receive the cash flows from the execution of the contract. The management of a



portfolio of financial assets to obtain their contractual flows does not imply that all instruments must necessarily be held to maturity; financial assets may be considered to be managed for that purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Company considers the frequency, amount and timing of sales in previous years, the reasons for those sales and the expectations regarding the activity of future sales.

- The contractual features of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent in an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

In general, this category includes trade receivables ("Trade receivables") and non-trade receivables ("Other receivables").

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given, plus any directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at nominal value when the effect of not discounting cash flows is not material.

The amortised cost method is used for subsequent valuation. Accrued interest is recognised in the profit and loss account (financial income) using the effective interest method.

Receivables maturing in less than one year which, as described above, are initially measured at nominal value shall continue to be measured at nominal value, unless they are impaired.

In general, when the contractual cash flows of a financial asset at amortised cost change due to the issuer's financial difficulties, the Company assesses whether an impairment loss should be recognised.

**Financial assets at cost:** The Company includes the following in this category:

- **Investments in Group companies, jointly controlled entities and associates:** Group companies are those related to the Company by a control relationship, and associates are those on which the Company exercises a significant influence. In addition, the category of jointly controlled entities includes companies over which, by virtue of an agreement, joint control is exercised with one or more shareholders.
- **Participating loans with interest of a contingent nature:** either because a fixed or variable interest rate is agreed, conditional on the achievement of a milestone in the borrowing company (e.g. profit), or because they are calculated solely by reference to the performance of the borrowing company's business.

Investments in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs. That is, the inherent transaction costs are capitalized.

In the case of investments in group companies, if there was an investment prior to its classification as a group company, jointly controlled entity or associate, the cost of that investment shall be deemed to be the book value that the investment should have had immediately before the company's classification as a group company, jointly controlled entity or associate.

Subsequent measurement is also at cost less any accumulated impairment losses.

Contributions made as a result of a joint venture and similar contracts are measured at cost, increased or decreased by the profit or loss, respectively, accruing to the company as a non-managing venturer, less any accumulated impairment losses.

The same applies to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed on the fulfilment of a milestone in the borrowing company (e.g. the achievement of profits), or because it is calculated solely by reference to the performance of the borrowing company's business. If irrevocable fixed interest is agreed in addition to contingent interest, the latter is accounted for as finance income on an accruals basis. Transaction costs are taken to the profit and loss account on a straight-line basis over the life of the participating loan.

#### *Off-balance sheet derecognition of financial assets*

The Company derecognises a financial asset from the balance sheet when:

- The contractual rights to the asset's cash flows expire. A financial asset is derecognised when it has matured and the Company has received the corresponding amount.
- The contractual rights to the cash flows of the financial asset have been transferred. In this case, the financial asset is derecognised when the risks and rewards of ownership have been substantially transferred.

#### *Impairment of financial assets*

##### *Debt instruments at amortised cost*

At least at each balance sheet date, the Company assesses whether there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after initial recognition and that result in a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency.

If such evidence exists, the impairment loss is calculated as the difference between the carrying amount and the present value of future cash flows, including, where applicable, those from the enforcement of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at initial recognition. For floating rate

financial assets, the effective interest rate at the reporting date is used in accordance with the contractual terms. In calculating impairment losses for a group of financial assets, the Company uses models based on formulas or statistical methods.

Impairment losses, and their reversal when the amount of the impairment loss decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

As a proxy for the present value of future cash flows, the Company uses the market value of the instrument, provided that it is sufficiently reliable to be considered representative of the value that could be recovered by the Company.

#### *Financial assets at cost*

In this case, the amount of the valuation adjustment is the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of the future cash flows arising from the investment, which in the case of equity instruments are calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this asset class is calculated on the basis of the investee's equity and the unrealised gains existing at the measurement date, net of the tax effect. Alternatively, the recoverable amount is estimated as the present value of estimated future pre-tax cash flows based on the most recent budgets and business plans approved by the Directors. These budgets incorporate the best available estimates of the investees' revenues and costs using industry forecasts and future expectations (*see note 7.1*).

The recognition of impairment losses and, where applicable, their reversal are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the investment that would have been recognised at the reversal date had no impairment loss been recognised.

#### *Interest and dividends received from financial assets*

Interest and dividends on financial assets accrued after the time of acquisition are recorded as income in the income statement. Interest is recognised using the effective interest method and dividends are recognised when the right to receive them is declared.

If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they shall not be recognised as income and shall reduce the carrying amount of the investment. The judgement as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the individual income statement since

the date of acquisition, unless it is clear that the distribution of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

### **Financial liabilities-**

On initial recognition, the Company classifies all financial liabilities in the following category:

- Financial liabilities at amortised cost.

#### *Financial liabilities at amortised cost*

The Company classifies all financial liabilities in this category except when they are to be measured at fair value through profit or loss.

In general, this category includes trade payables ("Trade payables") and non-trade payables ("Sundry accounts payable").

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is deemed to be the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

However, trade payables falling due in less than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are measured at their nominal value, when the effect of not discounting the cash flows is not significant.

The amortised cost method is used for subsequent valuation. Accrued interest is recognised in the income statement (financial expense) using the effective interest method.

However, debts maturing within one year which, in accordance with the above, are initially valued at nominal value shall continue to be valued at nominal value.

#### *Derecognition of financial liabilities*

The Company derecognises a previously recognised financial liability when one of the following circumstances arises:

- The obligation is extinguished because payment has been made to the creditor to discharge the debt (through cash payments or other goods or services), or because the debtor is legally released from any responsibility for the liability.
- Own financial liabilities are acquired, albeit with the intention of repositioning them in the future.
- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognised; similarly, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructurings.

The accounting for the derecognition of a financial liability is as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognised) and the consideration paid, including attributable transaction costs, and any asset transferred other than cash or liability assumed, is recognised in the income statement in the period in which it arises.

### *Debt restructuring*

The Company, in certain cases, restructures its debt commitments with its creditors. There are several ways in which such changes to the terms of a debt can be made:

- Immediate payment of the nominal amount (before maturity) followed by refinancing of all or part of the nominal amount through a new debt ("debt swap").
- Modification of the terms of the debt contract before its maturity ("debt modification").

In these cases of "debt swap" or "debt modification" with the same creditor, the Company analyses whether there has been a material change in the terms of the original debt. If there has been a material change, the accounting treatment is as follows:

- the carrying amount of the original financial liability (or part of it) is derecognised;
- the new financial liability is initially recognised at fair value;
- transaction costs are recognised against the income statement;
- the difference between the carrying amount of the original financial liability (or part of it that is derecognised) and the fair value of the new liability is also recognised in profit or loss.

On the other hand, when, after analysis, the Company concludes that the two debts do not have substantially different terms (they are essentially the same debt), the accounting treatment is as follows:

- the original financial liability is not derecognised (i.e. it remains on the balance sheet);
- commissions paid on the restructuring operation are carried as an adjustment to the book value of the debt;
- a new effective interest rate is calculated from the restructuring date. The amortised cost of the financial liability is determined by applying the effective interest rate, which is the rate that matches the carrying amount of the financial liability at the modification date with the cash flows payable under the new terms.

The terms of the contracts shall be considered materially different, inter alia, when the present value of the cash flows of the new contract, including any fees paid, net of any fees received, differs by at least ten per cent from the present value of the remaining cash flows of the original contract, discounted at the effective interest rate of the original contract.

Certain changes in the determination of cash flows may not pass this quantitative analysis but may also result in a material change in the liability, such as: a change from a fixed to a floating interest rate in the remuneration of the liability, the restatement of the liability to a different currency, a fixed rate loan that is converted into a participating loan, among other cases.

### ***Compound Financial Instruments***

A compound financial instrument is a financial instrument that incorporates both liability and equity components simultaneously. Consequently, the Company recognizes, values, and presents separately in its balance sheet the liability and equity elements created from a single financial instrument.

The Company allocates the value of the instruments based on the following criteria, which, unless an error occurs, will not be subject to subsequent review:

- a. The liability component is recorded at the fair value of a similar liability that does not have an associated equity component.
- b. The equity component is valued by the difference between the initial amount and the value assigned to the liability component.
- c. Transaction costs are distributed in the same proportion.

### ***Derivative financial instruments and hedge accounting-***

The Company is also exposed to interest rate risk since all of its bank borrowings bear interest at floating rates. In this regard, the Company arranges interest rate hedges, basically through contracts providing for interest rate caps, when the market outlook so requires.

Changes in the value of these financial instruments are recognized as finance income or finance costs, since by their nature they do not qualify for hedge accounting under this legislation.

### **e) Profit (loss) from discontinued operations**

A discontinued operation is a component of the Company that has been disposed of by other means or is classified as 'held for sale' and, among other conditions, represents a separate major line of business which can be considered separate from the rest.

The Company presents this type of operations in the income statement under a single heading entitled "*Profit (or loss) from discontinued operations, net of tax*", including the profit (or loss) from discontinued operations net of tax recognized at fair value less costs to sell or disposal or of the assets that constitute the discontinued operation.

Additionally, when operations are classified as discontinued, the Company will re-present, for comparative purposes, the disclosures described above for prior periods presented in the annual statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

### **f) Foreign currency transactions**

Foreign currency transactions are translated to the Company's functional currency (euros) at the exchange rates ruling at the transaction date. During the year, differences arising between the result of applying the exchange rates initially used and that of using the exchange rates prevailing at the date of collection or payment are recognized as finance income or finance

costs in the income statement.

At the end of the reporting period, foreign currency on hand and the receivables and payables denominated in foreign currencies are translated to euros at the exchange rates then prevailing. Any gains or losses on such translation are recognized in the income statement.

#### **g) Income tax**

Income tax expense (tax income) represents the sum of the current tax expense (current tax income) and the deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and prepayments and tax loss carryforwards from prior years effectively offset in the current year, reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities.

Deferred tax assets and liabilities arise from temporary differences defined as the amounts expected to be payable or recoverable in the future which result from differences between the carrying amounts of assets and liabilities and their tax bases. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets may also arise from the carryforward of unused tax loss and generated and unused tax credits and non-deductibles financial expenses.

Deferred tax assets are recognized to the extent that it is considered probable that the Company will have sufficient taxable profits in the future against which those assets can be utilized and the deferred tax assets do not arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit (loss) nor taxable profit (loss).

The deferred tax assets recognized are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that they will be recovered through future taxable profits.

Deferred tax liabilities are recognized for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Current and deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognized in equity.

The Company files consolidated tax returns as Parent of tax group number 2/91 as permitted by the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of March 5.

As Parent of the group, the Company recognizes the adjustments relating to the consolidated tax group.

#### **h) Income and expenses**

Revenue and expenses are recognized on an accrual basis, regardless of when the resulting monetary or financial flow arises.

The Company recognizes revenues for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the Company values the income at the amount that reflects the consideration to which it expects to be entitled in exchange for such goods or services.

Income from services rendered is recognized considering the degree of realization of the benefit on the date of balance, provided that the result of the transaction can be estimated reliably.

Exchange income and expenses that correspond to swaps are recorded at the market value of the services delivered and the consideration received, respectively.

Interest incomes from financial assets are recognized using the effective interest method and dividend incomes are recognized when the shareholder's right to receive payment has been established.

In application of the criterion stated by the Spanish Accounting and Auditing Institute in relation to the determination of the turnover in holding companies (answer to consultation published in its Official Gazette of September 2009), they are included as an integral part of the amount of the turnover dividends as well as the income from rendering services, from its subsidiaries.

#### **i) Provisions and contingencies**

The present obligations at the balance sheet date arising from past events which could give rise to a loss for the Company, which is uncertain as to its amount and timing are recognized as provisions in the balance sheet at the present value of the most probable amount that it is considered that the Company will have to pay to settle the obligation (*see note 13*).

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party, with adjustments arising from the restatement of the provision recorded as a finance cost as they accrue. In the case of provisions maturing in one year or less, and where the financial effect is not significant, no discounting is applied. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate of the corresponding liability at each point in time.



Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Unless considered as remote, contingent liabilities are not recognized in annual accounts, but are informed in the Annual Report Notes.

The “*Provision for third-party liability*” relates to the estimated amount required to meet the Company’s liability, as the majority shareholder, for the portion of the losses incurred at investees whose equity has become negative and which must be restored by their shareholders.

#### **j) Current/non-current classification**

Assets and liabilities maturing within twelve months from the balance sheet date are classified as current items and those maturing within more than twelve months are classified as non-current items.

#### **k) Related party transactions**

Related party transactions are a part of the Company’s normal business activities (in terms of their purpose and terms and conditions). Sales to related parties are carried out on an arm’s length basis and are posted according to the mentioned accountant policies.

In addition, transfer prices are properly supported and, therefore, the Company's directors consider that there are no significant risks in this item that may give rise to sizeable liabilities in the future. The most significant transactions performed with related companies are of a financial nature.

#### **l) Share-based payments**

The Company recognizes, on the one hand, goods and services received as an asset or as an expenditure, considering its nature at the time it is obtained and, on the other hand, the corresponding increase in equity in case the transaction is settled with an amount based on equity instruments value.

Those transactions settled with equity instruments that have counterpart goods or services other than those provided by employees shall be valued, where they may be reliably estimated, at the fair value of the goods or services on the date they are received. If the fair value of the goods or services received cannot be reliably estimated, the goods or services received and the increase in net worth will be valued at the fair value of the transferred equity instruments, referring to the date the company obtains the goods or the other party provides the services.

#### **m) Provisions for severance payment**

In accordance with the legislation in force, the Company is obliged to pay severance payments to those employees with whom, under certain conditions, it terminates their employment relationships. Therefore, severance payments that may be reasonably quantified are recorded

as expenditure within the year in which the decision to dismiss is adopted. In 2023 and 2022 the Company has not recorded any provision in this respect.

#### **n) Intercompany transactions**

According to current legislation concerning non-monetary contributions to a group company, the contributor will evaluate the investment according to the book value of the equity items delivered in the consolidated annual accounts on the date the transaction is carried out, according to the Rules for the Formulation of the consolidated annual accounts, which develop the Commercial Code. The acquiring company will recognize them for the same amount.

#### **o) Non-current Assets held for sale**

The Company classifies assets whose carrying amount will be recovered principally through sale rather than through continuing use as "Non-current assets held for sale" when they meet the following requirements:

- They are available in their present condition for immediate sale, subject to the usual and customary terms of sale.
- Their sale is highly likely.

These assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets held for sale are not amortized, but at each balance sheet date the company re-measures the non-current asset so that the carrying amount does not exceed fair value less costs to sell.

Any gain or loss on the remeasurement of a non-current asset or disposal group classified as held for sale that does not meet the definition of a discontinued operation shall be included in profit or loss from continuing operations as appropriate, during the year in which those requirements are not met.

#### **p) Leases**

Leases are classified as finance leases whenever it is inferred from the conditions thereof that the risks and benefits inherent to the ownership of the asset object of the contract are substantially transferred to the lessee. The other leases are classified as operating leases.

##### *Operating leases*

Expenses derived from operating lease agreements are charged to the profit and loss account in the year in which they are accrued.

Any collection or payment that could be made when contracting an operating lease, will be treated as a prepayment or payment that will be charged to income over the period of the lease, as the benefits of the leased asset are ceded or received.

## q) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date. The fair value shall be determined without any deduction for transaction costs that might be incurred on disposal. In no case does fair value result from a forced, urgent transaction or as a consequence of an involuntary liquidation situation.

Fair value is estimated for a particular date and, because market conditions may change over time, that value may be inappropriate for another date. In addition, in estimating fair value, an entity takes into account the terms and conditions of the asset or liability that market participants would take into account in pricing the asset or liability at the measurement date.

In general, fair value is calculated by reference to a reliable market value. For those items for which there is an active market, fair value is derived, where appropriate, through the application of measurement models and techniques. Measurement models and techniques include the use of references to recent arm's length transactions between knowledgeable, willing parties, if available, as well as references to the fair value of other assets that are substantially the same, discounted estimated future cash flow methods and models generally used to value options.

In any case, the valuation techniques employed are consistent with accepted methodologies used by the market for pricing, using, where available, the one that has been shown to produce the most realistic estimates of prices. They also take into account the use of observable market data and other factors that their participants would consider in setting the price, limiting as much as possible the use of subjective considerations and unobservable or unverifiable data.

The Company assesses the effectiveness of the valuation techniques it uses on a regular basis, using as a reference the observable prices of recent transactions in the same asset being valued or using prices based on observable market data or indices that are available and applicable.

In this way, a hierarchy is derived in the inputs used in the determination of fair value and a fair value hierarchy is established that allows estimates to be classified into three levels:

- Level 1: estimates using unadjusted quoted prices in active markets for identical assets or liabilities that are available to the company at the measurement date.
- Level 2: estimates using quoted prices in active markets for similar instruments or other measurement methodologies in which all significant variables are based on directly or indirectly observable market data.
- Level 3: estimates where a significant variable is not based on observable market data.

A fair value estimate is classified in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement outcome. For this purpose, a significant variable is a variable that has a decisive influence on the estimation result. The assessment of the significance of a particular variable for the estimate takes into account the specific conditions of the asset or liability being measured.

## r) Treasury shares-

Treasury shares are measured at acquisition cost with a debit balance under “Equity.” Gains and losses on the acquisition, sale, issue, retirement or impairment of treasury shares are recognized directly in equity in the accompanying balance sheet.

## 5.- INTANGIBLE ASSETS

### 2023

The transactions performed in 2023 in the various intangible asset accounts and the related accumulated amortization was summarized as follows (in thousands of euros):

	Balance at 12/31/2022	Additions	Disposals	Balance at 12/31/2023
<b>Cost</b>				
Industrial property	60	-	-	60
Computer software	19,778	19	-	19,797
<b>Total cost</b>	<b>19,838</b>	<b>19</b>	<b>-</b>	<b>19,857</b>
<b>Accumulated amortization</b>				
Industrial property	(60)	-	-	(60)
Computer software	(19,712)	(28)	-	(19,740)
<b>Total accumulated amortization</b>	<b>(19,772)</b>	<b>(28)</b>	<b>-</b>	<b>(19,800)</b>
<b>Total intangible assets, net</b>	<b>66</b>	<b>(9)</b>	<b>-</b>	<b>57</b>

At December 31, 2023, the Company’s fully amortized intangible assets in use amounted to EUR 19,770 thousand (EUR 19,726 thousand at December 31, 2022).

There are no restrictions on title to or future purchase obligations for intangible assets.

The transactions performed in 2022 in the various intangible asset accounts and the related accumulated amortization were summarized as follows (in thousands of euros):

### 2022

	Balance at 12/31/2021	Additions	Disposals	Balance at 12/31/2022
<b>Cost</b>				
Industrial property	60	-	-	60
Computer software	19,758	20	-	19,778
<b>Total cost</b>	<b>19,818</b>	<b>20</b>	<b>-</b>	<b>19,838</b>
<b>Accumulated amortization</b>				
Industrial property	(60)	-	-	(60)
Computer software	(19,672)	(40)	-	(19,712)
<b>Total accumulated amortization</b>	<b>(19,732)</b>	<b>(40)</b>	<b>-</b>	<b>(19,772)</b>
<b>Total intangible assets, net</b>	<b>86</b>	<b>(20)</b>	<b>-</b>	<b>66</b>

## 6.- PROPERTY, PLANT AND EQUIPMENT

The transactions performed in 2023 in the various property, plant and equipment accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

**2023**

	Balance at 12/31/2022	Additions	Disposals	Balance at 12/31/2023
<b>Cost</b>				
Other fixtures and furniture	688	9	-	697
Other items of property, plant and equipment	480	3	-	483
<b>Total cost</b>	<b>1,168</b>	<b>12</b>	<b>-</b>	<b>1,180</b>
<b>Accumulated depreciation</b>				
Other fixtures and furniture	(431)	(34)	-	(465)
Other items of property, plant and equipment	(110)	(16)	-	(126)
<b>Total accumulated depreciation</b>	<b>(541)</b>	<b>(50)</b>	<b>-</b>	<b>(591)</b>
<b>Impairment</b>				
Other items of property, plant and equipment	(183)	-	-	(183)
<b>Total impairment</b>	<b>(183)</b>	<b>-</b>	<b>-</b>	<b>(183)</b>
<b>Total property, plant and equipment, net</b>	<b>444</b>	<b>(38)</b>	<b>-</b>	<b>406</b>

At December 31, 2023, the Company's fully depreciated property, plant and equipment in use amounted to EUR 446 thousand (EUR 435 thousand at December 31, 2022).

There are no restrictions on title to or future purchase obligations for property, plant and equipment.

The Company takes out insurance policies to adequately cover the value of its assets.

The transactions performed in 2022 in the various property, plant and equipment accounts and the related accumulated depreciation were summarized as follows (in thousands of euros):

## 2022

	Balance at 12/31/2021	Additions	Disposals	Balance at 12/31/2022
<b>Cost</b>				
Other fixtures and furniture	1,472	196	(980)	688
Other items of property, plant and equipment	472	8	-	480
<b>Total cost</b>	<b>1,944</b>	<b>204</b>	<b>(980)</b>	<b>1,168</b>
<b>Accumulated depreciation</b>				
Other fixtures and furniture	(518)	(893)	980	(431)
Other items of property, plant and equipment	(90)	(20)	-	(110)
<b>Total accumulated depreciation</b>	<b>(608)</b>	<b>(913)</b>	<b>980</b>	<b>(541)</b>
<b>Impairment</b>				
Other items of property, plant and equipment	(183)	-	-	(183)
<b>Total impairment</b>	<b>(183)</b>	<b>-</b>	<b>-</b>	<b>(183)</b>
<b>Total property, plant and equipment, net</b>	<b>1,153</b>	<b>(709)</b>	<b>-</b>	<b>444</b>

In December 2022, the amount of the work on part of the facilities in which the Company carried out its activity was written off due to the termination of the lease of these facilities.

## 7. FINANCIAL INSTRUMENTS

## 7.1- FINANCIAL ASSETS

The detail of “*Financial assets*” in the balance sheets at December 31, 2023 and 2022, based on the nature of the transactions, is as follows:

Classes	Thousands of euros							
	Non-current				Current			
	Equity instruments		Loans, derivatives and other		Loans, derivatives and other		Total	
	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22
Categories								
Financial assets at amortized cost	-	-	155	155	17,149	17,183	17,304	17,338
Financial assets at cost	1,209,997	1,265,801	-	-	-	-	1,209,997	1,265,801
Financial assets at fair value through profit and loss	-	-	5,145	3,977	-	-	5,145	3,977
<b>Total</b>	<b>1,209,997</b>	<b>1,265,801</b>	<b>5,300</b>	<b>4,132</b>	<b>17,149</b>	<b>17,183</b>	<b>1,232,446</b>	<b>1,287,116</b>

### 7.1.1. Financial assets at cost

#### Equity investments in Group companies and associates

2023

The transactions performed in 2023, in this category of financial assets, were summarized as follows (in thousands of euros):

	Balance at 12/31/2022	Additions	Reversals	Disposals	Balance at 12/31/2023
<b>Cost</b>					
<b>Investments in Group companies</b>	<b>1,524,265</b>	<b>10,000</b>	<b>(71,294)</b>	-	<b>1,462,971</b>
Diario El País México, S.A. de C.V.	898	-	-	-	898
Prisa Participadas, S.L.U.	340,182	-	-	-	340,182
Promotora de Actividades América 2010, S.L.	10	-	-	-	10
Promotora de Actividades Audiovisuales de Colombia, Ltda.	4	-	-	-	4
Prisa Activos Educativos, S.A.	796,430	-	(40,481)	-	755,949
Prisa Media, S.A.	264,547	-	-	-	264,547
Prisa Gestión Financiera, S.L.	122,194	10,000	(30,813)	-	101,381
<b>Investments in associates</b>	<b>1,176</b>	-	-	<b>(1,176)</b>	-
Promotora de Actividades Audiovisuales de Colombia, Ltda.	1,176	-	-	(1,176)	-
<b>Total cost</b>	<b>1,525,441</b>	<b>10,000</b>	<b>(71,294)</b>	<b>(1,176)</b>	<b>1,462,971</b>
<b>Impairment losses</b>					
<b>In Group companies</b>	<b>(258,494)</b>	-	<b>5,520</b>	-	<b>(252,974)</b>
Diario El País México, S.A. de C.V.	(890)	-	8	-	(882)
Prisa Participadas, S.L.U.	(252,695)	-	3,792	-	(248,903)
Promotora de Actividades América 2010, S.L.	(10)	-	-	-	(10)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	(5)	-	-	-	(5)
Prisa Gestión Financiera, S.L.	(4,894)	-	1,720	-	(3,174)
<b>In associates</b>	<b>(1,146)</b>	<b>(2)</b>	-	<b>1,148</b>	-
	(1,146)	(2)	5,520	1,148	5,520
<b>Total impairment losses</b>	<b>(259,640)</b>	<b>(2)</b>	<b>5,520</b>	<b>1,148</b>	<b>(252,974)</b>
<b>Net Value</b>	<b>1,265,801</b>	<b>9,998</b>	<b>(65,774)</b>	<b>(28)</b>	<b>1,209,997</b>

The direct and indirect investments of Promotora de Informaciones, S.A. are listed in *Appendix I* and *Appendix II*, respectively.

The most significant operations that took place in 2023 which gave rise to the aforementioned changes are as follows:

#### Additions 2023

In September 2023, the Company has made a monetary partner contribution to Prisa Gestión Financiera, S.L. (Sole proprietorship) for the amount of EUR 10,000 thousand in order to properly manage the Group's financial structure.

#### Disposals 2023

In April 2023, Prisa Gestión Financiera, S.L. (Single-Member Company) executed a shareholder contribution refund amounting to EUR 30,000 thousand, to properly manage the Group's financial structure.

Also Prisa Gestión Financiera, S.L. has distributed a dividend to the Company amounting to EUR 813 thousand. Based on the profits generated and not distributed by the subsidiary or any group company owned by the latter, which must be considered as income to the shareholder in any distribution of available reserves, the entire dividend distributed has been considered to constitute a lower cost of the investment.

In the fiscal year 2023, Prisa Activos Educativos, S.A. distributed a dividend to the Company amounting to EUR 40,481 thousand. Based on the profits generated and not distributed by the subsidiary or any group company owned by the latter, which must be considered as income to the shareholder in any distribution of available reserves, the entire dividend distributed has been considered to constitute a lower cost of the investment.

On August 2023 Canal Club de Distribución de Ocio y Cultura, S.A. was liquidated.

## 2022

The transactions performed in 2022, in this category of investments in Group companies and associates, were summarized as follows (in thousands of euros):

	Balance at 12/31/2021	Additions	Reversals	Disposals	Balance at 12/31/2022
<b>Cost</b>					
<b>Investments in Group companies</b>	<b>841,385</b>	<b>683,422</b>	-	(542)	<b>1,524,265</b>
Diario El País México, S.A. de C.V.	898	-	-	-	898
Prisa Participadas, S.L.U.	340,182	-	-	-	340,182
Promotora de Actividades América 2010, S.L.	10	-	-	-	10
Promotora de Actividades Audiovisuales de Colombia, Ltda.	4	-	-	-	4
Prisa Activos Educativos, S.A.	133,008	663,422	-	-	796,430
Prisa Media, S.A.	265,089	-	-	(542)	264,547
Prisa Gestión Financiera, S.L.	102,194	20,000	-	-	122,194
<b>Investments in associates</b>	<b>1,176</b>	-	-	-	<b>1,176</b>
<b>Total cost</b>	<b>842,561</b>	<b>683,422</b>	-	(542)	<b>1,525,441</b>
<b>Impairment losses</b>					
<b>In Group companies</b>	<b>(257,396)</b>	<b>(1,926)</b>	<b>828</b>	-	<b>(258,494)</b>
Diario El País México, S.A. de C.V.	(893)	-	3	-	(890)
Prisa Participadas, S.L.U.	(250,770)	(1,925)	-	-	(252,695)
Promotora de Actividades América 2010, S.L.	(10)	-	-	-	(10)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	(4)	(1)	-	-	(5)
Prisa Gestión Financiera, S.L.	(5,719)	-	825	-	(4,894)
<b>In associates</b>	<b>(1,144)</b>	<b>(2)</b>	-	-	<b>(1,146)</b>
<b>Total impairment losses</b>	<b>(258,540)</b>	<b>(1,928)</b>	<b>828</b>	-	<b>(259,640)</b>
<b>Net Value</b>	<b>584,021</b>	<b>681,494</b>	<b>828</b>	<b>(542)</b>	<b>1,265,801</b>

The most significant operations that took place in 2022 which gave rise to the aforementioned changes were as follows:

### Additions 2022

As part of the Group's Refinancing process (*see note 7.3*), in April 2022, the Company assumed the debt held by Prisa Activos Educativos, S.A. (Single-Member Company) with credit institutions for a nominal amount of EUR 691,590 thousand. Consequently, a payable account to the Company was generated for the fair value of that debt, amounting to EUR 663,442 thousand. Subsequently, the Company made a shareholder contribution to Prisa Activos



Educativos, S.A. (Single-Member Company) for the mentioned amount, which was recognized as an increased value of the investment.

In November 2022, the Company made a cash contribution from shareholders to Prisa Gestión Financiera, S.L. (Single-Member Company) amounting to EUR 20,000 thousand, with the aim of properly managing the Group's financial structure.

#### Disposals 2022

In February 2022, there was a return of shareholder contributions by Prisa Media, S.A. (Single-Member Company) amounting to EUR 542 thousand.

#### **Impairment tests**

At the end of each reporting period, or whenever there are indications of impairment, the Group tests goodwill for impairment to determine whether it has suffered any permanent loss in value that reduces its recoverable amount of stakes at an amount less than the net cost recorded.

The recoverable amount of each stake is the higher of fair value net selling price and value in use. Unless there is better evidence of the recoverable amount, the net equity of the investee is taken into consideration, corrected for the unrealized gains existing on the valuation date (including goodwill, if any).

Value in use was calculated on the basis of the estimated future cash flows based on the business plans most recently approved by Management. These business plans include the best estimates available of income and costs of the cash-generating units using industry projections and future expectations.

According to the estimates and projections available to the Directors, the corresponding provisions/reversals have been recognized in such a way that the net book value have been adjusted to the forecasts of the cash flows attributable to each company involved as of December 31, 2023 and 2022.

These projections cover the following five years and include a residual value that is appropriate for each business. In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk. The rate for the most relevant impairment test is from 8% to 10% (from 8% to 10% in 2022).

An analysis of the sensitivity of the main hypotheses of the impairment test has been conducted, analyzing the difference between the carrying amount and its recoverable amount in the scenarios envisaged by the Company's Management in its estimates.

#### *Prisa Media, S.A. (Sole proprietorship)*

In order to determine the value in use of the business of Prisa Media, S.A. (Sole proprietorship), the Management has based itself on the estimated value of its main asset:

Prisa Radio, S.A. ("Prisa Radio") Diario El País, S.L., Diario AS, S.L. and Diario Cinco Días, S.A.

Management adapts its projections for the advertising market to the macroeconomic environment in Spain and Chile, and in the advertising sector in particular. In this regard, the market estimates drawn up by PwC in its "Global Entertainment & Media Outlook 2023-2027" report and i2P have been taken into account. . Likewise, the Group takes into account its past experience in the radio and press sector, and has also considered its positioning in terms of participation shares in the advertising market.

Turning to the rest of the variables in the impairment tests, such as investment in working capital, fixed capital, lease payments and tax payments, the estimate is primarily based on historic and current experience or in correlation with other variables (earnings, results etc.).

The discount rate used is from 8% to 10% (from 8% to 10% in 2022) and the growth rate used is from 0% to 1.5% (from 0% to 1.5% in 2022).

In accordance with these assumptions and the analysis of sensitivity carried out the recoverable value of Prisa Media, S.A. (Sole proprietorship) is higher than its book price.

*Prisa Activos Educativos, S.A. (Sole proprietorship)*

In order to determine the value in use of the business of Prisa Activos Educativos, S.A. (Sole proprietorship), the Management has based itself on the estimated value of its main asset: Grupo Santillana Educación Global, S.L. ("Santillana").

*Trend in the private teaching market* : Management adjusts its projections for the education market to the circumstances of the macroeconomic environment in which it operates and the education sector. In this regard, in due consideration of the estimates of growth of student numbers in teaching systems and the transformation undergone by education in the wake of the pandemic, towards more digital models, it has been considered that this market will continue to a slight growth in the years ahead.

*Evolution of Public purchase cycles*: Management has taken into account the historical evolution of this variable, chiefly in relation to public procurement orders on Brazil's National Books and Teaching Material Programme - PNLD-, which is affected by the aforementioned purchasing programs each year.

The discount rate used for Santillana is from 8% to 10% (from 8% to 10% in 2022). The growth rate used is from 0.5% to 2% (from 0.5% to 2% in 2022).

In accordance with these assumptions and the analysis of sensitivity carried out the recoverable value of Prisa Activos Educativos, S.A. (Sole proprietorship) is higher than its book price.

*Prisa Participadas, S.L.*

The valuation of the investment in Prisa Participadas, S.L. (Sole Proprietorship) is carried out taking into consideration its equity, considered as the best evidence of the recoverable

amount. According the impairment test made in 2023, the recoverable value has turned out to be higher than the book value, as a consequence of the dividend distribution made to the Company offset by the profits obtained in this year, recording an income from the reversal of the provision for the participation of EUR 3,792 thousand.

*Prisa Gestión Financiera, S.L.*

The valuation of the investment in Prisa Gestión Financiera, S.L. (Sole Proprietorship) is carried out taking into consideration its equity, considered as the best evidence of the recoverable amount. According the impairment test made in 2023, the recoverable value has turned out to be higher than the book value, recording a reversal of impairment loss of EUR EUR 1,720 thousand.

### **7.1.2. Financial assets at amortized cost**

#### **Short-term loans, derivates and others**

This heading includes the portion of the loans to companies of the Group and Associates with maturity within one year and interest accrued pending payment, being the sum of EUR 2,022 thousand at December 31, 2023 (EUR 1,981 thousand at December 31, 2022).

In addition, this caption includes the tax account receivable with the Spanish Tax Group companies as a result of the liquidation of the consolidated Corporate tax for the sum of EUR 10,769 thousand at December 31, 2023 (EUR 13,749 thousand at December 31, 2022).

On the other hand, it includes the balances and outstanding interests with Prisa Gestión Financiera, S.L. (Sole Proprietorship), the centralizing entity for the cash pooling balances of the Group resulting from treasury centralization, for the amount of EUR 1,009 thousand (EUR 8,089 thousand creditor balance as of December 31, 2022).

It also includes the balances with Group companies derived from the services provided by the Company to them for the amount of EUR 2,111 thousand at December 31, 2023 (EUR 1,410 thousand at December 31, 2022) and other receivables balances for amount of EUR 53 thousand at December 31, 2023 (EUR 43 thousand at December 31, 2022).

Finally, in 2023, it also includes the amount of EUR 1,185 thousand still to be collected at December 31, 2023 from the settlement of the hedges contracted.

### **7.1.3. Financial asset at fair value through profit and loss**

At December 31, 2022, and in the area of debt associated with the Refinancig, an interest rate hedge was arranged by PRISA of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25% (3 months Euribor).

The increase in 2023 is due to the recording of two interest rate hedges contracted by PRISA, the first, in January 2023, on a nominal amount of EUR 150 million which limits the impact of any rise in the three-month Euribor ("cap") above 2.5% and the second, in March 2023, on a nominal amount of EUR 100 million limiting Euribor increases to three months above 3% and up to a maximum of 5%.

In accordance with applicable accounting regulations, and based on the Company's analysis, it is considered that the products contracted do not meet the requirements to be considered effective from an accounting point of view, and therefore the change in the fair value of the aforementioned hedges is taken to the consolidated income statement for each period. Therefore, the amount recognised at December 31, 2023 corresponds to the fair value of these instruments at that date, or, in other words, to the amounts paid to contract each hedge, adjusted by the changes in the fair value of these hedges until December 31, 2023, and which are therefore pending to be taken to the consolidated income statement during the term of the hedges (until June 2025).

## 7.2. NON-CURRENT ASSETS HELD FOR SALE

On December 31, 2023 and 2022, under this heading is registered the participation of the Company in Vertex S.G.P.S., S.A.

	Thousand euros	
	2023	2022
Vertex S.G.P.S., S.A.	85	210
<b>Total</b>	<b>85</b>	<b>210</b>

## 7.3. FINANCIAL LIABILITIES

The detail of “*Financial liabilities*” in the balance sheets at December 31, 2023 and 2022, based on the nature of the transactions, is as follows:

Classes	Thousands of euros									
	Non-current				Current				Total	
	Bank borrowings		Derivatives and other		Bank borrowings		Derivatives and other			
Categories	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22
Financial liabilities at amortized cost	878,255	971,319	1,026	-	16,506	12,477	18,913	27,297	914,700	1,011,093
<b>Total</b>	<b>878,255</b>	<b>971,319</b>	<b>1,026</b>	<b>-</b>	<b>16,506</b>	<b>12,477</b>	<b>18,913</b>	<b>27,297</b>	<b>914,700</b>	<b>1,011,093</b>

## Bank borrowings

The Company's bank borrowings as well as the limits and expected maturities are as follows (in thousands of euros):

### 2023

	Maturity debt	Limit	Draw down amount maturing at short term	Draw down amount maturing at long term
Syndicated Loan Junior <sup>(*)</sup>	jun-27	86,967	-	86,967
Syndicated Loan Senior	dic-26	575,105	-	575,105
Super Senior debt	jun-26	240,000	-	240,000
Interests and others	2024	16,506	16,506	-
Fair value/Debt arrangement expenses	jun-27	-	-	(23,817)
<b>Total</b>		<b>918,578</b>	<b>16,506</b>	<b>878,255</b>

(\*) The long-term amount drawn down included capitalized interest as of December 31, 2023 (EUR 11,207 thousand)

### 2022

	Maturity Date	Limit	Draw down amount maturing at short term	Draw down amount maturing at long term
Syndicated Loan Junior <sup>(*)</sup>	jun-27	192,013	-	192,013
Syndicated Loan Senior	dec-26	575,105	-	575,105
Super Senior Debt	jun-26	240,000	-	240,000
Interest and others	2022	12,477	12,477	-
Fair Value/Debt arrangement expenses	jun-27	-	-	(35,799)
<b>Total</b>		<b>1,019,595</b>	<b>12,477</b>	<b>971,319</b>

(\*) The long-term amount drawn down includes capitalized interest as of December 31, 2022 (EUR 6,664 thousand)

The changes in bank borrowings in 2023 and 2022 were as follows:

	Thousand euros	
	2023	2022
<b>Bank borrowings at beginning of year</b>	<b>983,796</b>	<b>201,586</b>
Amortization / debt disposition	(110,000)	88,526
Debt assumption at fair value (Note 7.1.1)	-	663,422
Change in accrued interest payable	4,029	11,197
Change in capitalized interest and fees	4,954	17,593
Amortized cost old debt	-	8,325
Amortized cost exercise	11,982	5,664
Fair value in financial instruments	-	(10,117)
Debt arrangement expenses	-	(2,400)
<b>Bank borrowings at the end of year</b>	<b>894,761</b>	<b>983,796</b>

The decrease in the Junior syndicated loan in 2023 is due to the amortization of EUR 110,000 thousand, in February 2023 (including pro-rata share of interest capitalisable during 2023 and up to the redemption date), with the funds from the issuance of convertible bonds (*see note 1*) offset by the increase for the accrual of the PIK (capitalizable interest).

Bank borrowings are presented sheet at amortized cost in the balance sheet, adjusted for the loan origination and arrangement costs.

To determine the theoretical calculation of the fair value of the financial debt, and in accordance with the accounting standards, the listed value of the debt on the secondary market as reported by an independent third party (level 1 variable: estimates using prices listed in active markets) has been used.

Therefore, the fair value of the Junior Debt, the Senior Debt, the Super Senior Debt and the accrued interest payable amounts to EUR 878,975 thousand at December 31, 2023, according to this calculation, as a result of apply a 4.31% average discount over the real principal payment obligation to the creditor entities.

#### *Refinancing-*

In February 2022 the Board of Directors of Prisa approved, by unanimity, the signing of a lock-up agreement (the "Lock-Up Agreement") that incorporated a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "Refinancing"). On April 19, 2022, the Refinancing entered into force, once the agreements reached with all of its creditors were concluded.

Therefore, in the context of the Refinancing of its financial debt, Prisa agreed on the novation of its syndicated loan ("2013 Override Agreement") for a total amount of EUR 751,114 thousand, which was structured in two tranches with the following characteristics:

- The amount of the Senior debt was set at EUR 575,105 thousand, that included EUR 5,633 thousand of refinancing expenses with the lenders which was incorporated as an increased financial liability, and the maturity is extended to December 31, 2026.
- The amount of the Junior debt was set initially at EUR 185,349 thousand, that included EUR 3,707 thousand of refinancing expenses with the lenders which was incorporated as an increased financial liability, and the maturity of is extended to June 30, 2027.
- The cost of the Senior debt is benchmarked at Euribor + 5.25% payable in cash, while the cost of the Junior debt is benchmarked at Euribor + 8%, payable partly in cash and partially capitalised. This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity.
- Partial amendment of the package of debt guarantees.

- The flexibilization of the contractual commitments of the current debt that allowed, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts.
- A refinancing, structuring and underwriting fee was agreed, which the Company could pay in cash or by issuing shares. The Company chose to pay the aforementioned commission through the issuance of shares, for which it proceeded to issue 32 million new shares of the Company, which granted to the creditor entities and those that acted as structurers and/or insurers of the Refinancing, and who had the subscription right. The new shares, represented 4.3% of the share capital after the increase, allowed the Company's interests to be aligned with those of the new creditors, in turn increasing the liquidity of the value on the Stock Market.

The agreed Refinancing made the Company's financial debt more flexible and provided a financial structure allowing the Company to comply with its financial commitments, ensuring the Company's stability in the short and medium term.

Likewise, the Refinancing agreement entailed a reorganisation of the debt in terms of borrowers, so that the financial debt previously held by Prisa Activos Educativos, S.A.U. was transferred to Prisa for a nominal amount of EUR 691,590 thousand (*see note 7.1.1*).

Compliance with certain financial ratios is established in the financial agreements for the Prisa Group, which application began on June 30, 2022. These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the contract in question. Since the Refinancing come into force no such breaches have occurred, nor are foreseen in the next twelve months.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, including the acquisition of control of Prisa, acquisition being understood as by one or several persons together, with more than 30% of the capital with voting rights (excluding for such purposes the current significant shareholders of the Company).

Finally, within the Refinancing agreement, and in relation to the distribution of dividends of the Company, these are subject to the limitations and commitments acquired with the financial creditors.

#### *Other aspects of debt-*

The guarantee structure for the refinancing debt is as follows:

#### *Personal guarantees*

The Senior and Junior Debt, as it was refinanced in April 2022, is jointly and severally guaranteed by Prisa and the companies Prisa Activos Educativos, S.A.U. Diario El País, S.L., Grupo Santillana Educación Global, S.L.U, Santillana Latam, S.L.U., Prisa Media, S.A.U. and Prisa Gestión Financiera, S.L.U.

Likewise, and in accordance with the Refinancing agreement, Prisa Activos Educativos and Prisa Media were transformed into public limited companies, previously limited liability companies.

#### *Guarantees*

As a result of the Refinancing, Prisa has currently pledged certain current accounts held by it, and, in addition, the guarantors have pledged, as appropriate, shares and equity interests in certain Group companies and certain bank accounts held by them, all as security for the aforementioned creditors.

Part of Prisa's investment in Prisa Radio, S.A. (80% share capital) and the 100% of the investments (100% share capital) in Prisa Activos Educativos, S.A. (Sole proprietorship), Prisa Media, S.A. (Sole proprietorship), Prisa Gestión Financiera, S.L. (Sole proprietorship) and Grupo Santillana Educación Global, S.L.U was also pledged, thereby insuring syndicated debt. Similarly, given its significance in the group, collateral was pledged over 100% of the shares of Editora Moderna Ltda. (Brasil).

#### *Other aspects of the Refinancing*

The Company carried out an analysis of the terms agreed in the framework of the Refinancing, concluding that they constituted a substantial modification of the previous terms from a qualitative point of view, inter alia, due to the existence of a refinancing, structuring and underwriting fee that can be paid in shares, the modification of the collateral structure and the flexibility to perform certain sales transactions. This meant that the original financial liability was cancelled, and a new liability from the Refinancing was recognised. The initial recognition of the financial liability was at fair value, which led to the recognition of financial income in the amount of EUR 10,117 thousand in the heading "*Value variation of financial instruments*" of the income statement, for the difference between the nominal value of the debt and its fair value on the date of initial recognition. In addition, the debt assumed from Prisa Activos Educativos, S.A.U, by the Company, as is mentioned in note 7.1.1, included a fair value adjustment for the amount of EUR 28,168 thousand. For this purpose, the listed value of the debt in the secondary market was used, according to information provided by a third party on the date of the Refinancing agreement going public (level 1 variable, estimates using prices listed in active markets). The fair value of the Refinancing debt at that date and according to this calculation would amount to EUR 722,169 thousand. Thereafter, the difference between the par value of the debt and its initial fair value is expensed in the consolidated income statement using the effective interest method.

In addition, all expenses and fees related to the Refinancing were recognised in the income statement as finance costs, including, among others, various fees, in the form of upfront discounting ("OID") and consent fees, and other fees for an amount of EUR 23,491 thousand. In this respect, the refinancing, structuring and underwriting that the Company chose to pay through the issue of shares discussed above was treated from the beginning of the Refinancing as a reserve for other equity instruments, as the method of settlement is at the discretion of the Company. This resulted in recording a financial expense of EUR 20,288 thousand, with a credit to "Other equity instruments" in equity. For this purpose, the 32 million shares to be



issued were valued at the listed price of the Prisa share on the date the Refinancing agreement was made public.

Finally, a financial expense of EUR 6,665 thousand was recorded, mainly associated with recognising the formalisation costs associated with the previous refinancing, which had not yet been taken to the income statement.

#### *Super senior Debt –*

In addition to the above Senior and Junior loan, the Company signed on 8 April 2022 a Super Senior Term & Revolving Facilities Agreement for a maximum amount of up to EUR 240,000 thousand. This agreement implied an extension of its maturity until June 30, 2026, with a cost indexed to Euribor + 5% payable in cash. This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity. In addition, the amendment of the agreement led to a change of lender.

Out of the total amount of super senior debt, EUR 160,000 thousand are for the new Super Senior Term Loan Facility, drawn down at the time of the refinance and used to fully cancel the previous Super Senior debt for its amount on 19 April, and EUR 80,000 thousand are for a renewable credit facility, the Super Senior Revolving Facility, used to meet operational needs. In the last quarter of 2022, the Company drawn down all of the Revolving Facility amounting to EUR 80,000 thousand, meaning that as at December 31, 2023 and 2022 the Super Senior debt had been fully drawn down.

The collateral structure of this Super Senior debt is the same as that referred to above in respect of the Company's Senior and Junior debt, such that the creditors of this debt and the creditors of the syndicated debt share the same collateral package. However, the Super Senior debt has a preferential ranking for collection and enforcement of collateral over the Senior and Junior debt in the event of a default under the financing agreements.

In addition, the costs related to cancelling the Super Senior Debt with the previous lender were recognised in the income statement as a financial expense for the amount of EUR 1,660 thousand. The costs associated with arranging the debt with the new lender were capitalised and are taken to the income statement over the life of the loan using the effective interest method.

#### **Payable to Group companies and associates**

The detail of “*Payable to Group companies and associates*”, is as follows (in thousands of euros):

**2023**

	<b>Current</b>
Other payables	5,936
Cash pooling	1
<b>Total</b>	<b>5,937</b>

2022

	Current
Other payables	5,244
Cash pooling	8,089
<b>Total</b>	<b>13,333</b>

*Other current payables-*

At December 31, 2023 this heading includes, on the one hand, the tax account payable to the Spanish Tax Group companies for the liquidation of the consolidated Corporate tax for EUR 5,778 thousand (EUR 4,963 thousand at December 31, 2022).

It also includes the balances with Group companies derived from the services received by the Company from them for the amount of EUR 158 thousand at December 31, 2023 (EUR 281 thousand at December 31, 2022).

On the other side, also included EUR 1 thousand of interest payable to Prisa Gestión Financiera, S.L. (Sole proprietorship), centralizing company of the Group's cash pooling balances, for the amount of EUR 1 thousand (EUR 8,089 thousand at December 31, 2022). ). At December 31, 2023, the position is a debtor in favor of the Company, whereas at December 31, 2022, the balances were creditors

**Bonds and other negotiable securities**

This heading includes the liability component associated with the issuance of the convertible bond.

Initially it was calculated as the present value of the cash coupons payable, considering that the mandatory conversion of the bond would take place at the end of the bond's life, without considering early conversions, insofar as early conversions is out of the Company's control.

As a result, an initial financial liability of EUR 3,997 thousand was recorded (net of the part of cost of the operation associated therewith).

After the conversions in May and November 2023, and after recognising the difference between the amount of this liability and the nominal value of the coupons in the income statement over the life of this instrument using the effective interest method, the value of this financial liability at December 31, 2023 is EUR 1,026 thousand.

*Past-due payments to creditors-*

The information required by the third additional provision of Law 15/2010, of 5 July (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, in relation to the average period of payment to suppliers in commercial operations, the monetary volume and number of invoices paid in a period shorter than the maximum laid

down in the late payment regulations and the percentage they represent of the total number of invoices and of the total monetary payments to their suppliers, is as follows.

	2023	2022
	<i>Days</i>	
<b>Average payment period to suppliers</b>	<b>54</b>	<b>110</b>
Ratio of settled transactions	54	113
Ratio of outstanding payment transactions	64	20
	%	
Ratio of operations paid in a period of less than 60 days	72%	43%
Ratio of invoices paid in less than 60 days	55%	56%
	<i>Amount (thousands of euros)</i>	
Total payments	10,506	15,132
Total payments made within a period of less than 60 days	7,513	6,501
Total outstanding payments	455	562
	<i>Number</i>	
Total paid invoices	1,190	1,184
Total paid invoices under 60 days	658	664

According to the ICAC Resolution, the calculation of the average period of payment to suppliers has taken into account the commercial operations corresponding to the delivery of goods or services rendered from the date of entry into force of Law 31/2014, of 3 December.

For the sole purposes of providing the information set forth in this Resolution, providers shall mean business creditors for debts with providers of goods or services included in headings “Payable to suppliers”, “Payable to suppliers, Group companies and associated” and “Sundry accounts payable” of the current liabilities of the balance sheet.

“Average period of payment to suppliers” is understood to mean the period from the delivery of the goods or provision of the services by the supplier to the eventual payment of the transaction.

The maximum legal period of payment applicable in 2023 and 2022 under Law 3/2004, of 29 December, and its amendment by Law 15/2010, of 5 July, for combating late payment in commercial transactions, is by default 60 days.

#### 7.4- NATURE AND RISK OF THE FINANCIAL INSTRUMENTS

##### *Liquidity and Credit Risk-*

The situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Company has in place a Super Senior debt

("Super Senior Term & Revolving Facilities Agreement") to meet operational needs for a maximum amount of EUR 240,000 thousand, completely drawn as of December 31, 2023.

The Company thoroughly analyzes receivables and payments of its activities and maturity of financial and commercial debt. In terms of the commercial credit risk, the Company assesses the age of the trade receivables and constantly monitors the management of the receivables and payables associated with all its activities.

Additionally, the Company analyzes on a recurrent basis other financing sources to cover short- and medium-term liquidity needs. However, at December 31, 2023, the Company still maintains a net bank debt level of EUR 907,091 thousand. This debt indicator includes non-current and current bank borrowings, at nominal value, diminished by current financial assets, cash and cash equivalents.

The table below details the liquidity analysis of the Company, at December 31, 2023, in relation to its bank borrowings. The table was prepared using the cash outflows not discounted with respect to their scheduled maturity dates. The flows include both the expected repayments and interest payments. When the settlement is not fixed, the amount was determined using the underlings calculated based on the most recent available interest rate curve.

Maturity	Thousand of euros	Floating euro rates
Within 3 months	20,521	3.97%
From 3 months to 12 months	59,787	3.67%
From 1 to 3 years	946,574	2.41%
From 3 to 5 years	106,483	2.40%
After 5 years	-	
<b>Total</b>	<b>1,133,365</b>	

The Company's main financial liabilities are the Junior and Senior debt and the Super Senior Debt, which are linked to the Euribor. An increase in the Euribor would directly impact interest paid, as a result of multiplying said increase by the nominal of past loans, except for a debt nominal covered by the following interest rate hedges, the first contracted in September 2022 for a nominal amount of EUR 150 million, that limit the increase of the Euribor in 3 months to 2.25%, the second, contracted in January 2023, for a nominal amount of EUR 150 million and a 2.5% cap (3-month Euribor) and the third, contracted in March 2023 for a nominal of EUR 100 million which limits Euribor increases to three months above 3% and up to a maximum of 5%. Therefore, as of the authorized of these financial statements, the notional value of the debt covered by previous coverages amounts to EUR 400 million. Therefore, each increase in the Euribor by one point would mean a higher annual interest payment of approximately EUR 5 million (over the notional non-covered).

#### *Interest rates risk exposure-*

The 100% of its bank borrowings terms are at variable interest rates, and therefore the Company is exposed to fluctuations in interest rates.

In this regard, the Company is assessing the need to execute interest rate coverage contracts based on its forecasts. At the end of fiscal year 2023 and within the scope of the debt associated to refinancing, the Company has contracted the coverages described in the previous section. Should the Euribor drop below said percentage, the aforementioned coverage would not apply.

The previous section of "*Liquidity risk*" contains an analysis of risk for the payment of interest.

#### *Fluctuations in foreign exchange rates-*

The Company is exposed to fluctuations in the exchange rates mainly in the financial investments in Latin American subsidiaries, and for the revenues and results from those investments.

## **8.- CASH AND CASH EQUIVALENTS**

The balance of the heading "*Cash and cash equivalents*" in the accompanying balance sheet at December 31, 2023 amounts to EUR 10,302 thousand (EUR 10,195 thousand at December 31, 2022) and it includes EUR 10,000 thousand received under the "escrow agreement" related to the Vertix purchase agreement with Cofina in 2019. This amount has been under dispute with Cofina since the breach of the aforementioned sale agreement by Cofina in March 2020, so the Company could not have access to this sum until the dispute was resolved. That is the reason the Company maintains accounted a liability as of December 31, 2023 in the heading "*Other financial liabilities*" of the balance sheet for the same amount. This non-compliance meant that the aforementioned sale of Vertix to Cofina did not materialize.

On February 22, 2024 the Portuguese Arbitral Tribunal (which had to resolve the dispute between both parties) has ordered Cofina to pay PRISA the amount deposited in the escrow account (EUR 10,000 thousand) (plus accrued interest), obliging Cofina to take all necessary actions to make this amount available to the Company. On March 1, 2024 the amount deposited in the escrow account has been transferred to another bank account in the name of the Company, being therefore available (*see note 20*).

## **9- EQUITY**

The detail of the transactions recognized under "*Equity*" in 2023 and 2022 is summarized in the attached statement of changes in equity.

### **Share capital**

As of January 1, 2023, the share capital of PRISA amounts to EUR 74,065 thousand and is represented by 740,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up and with the same rights.

Within the framework of the issuance of subordinated notes necessarily convertible into newly issued ordinary shares of the Company which was carried out in February 2023 (see note 1b): i) in May 2023 the share capital of PRISA was increased by a nominal amount of EUR 26,752 thousand to attend the conversion of 267,521 subordinated notes, which have been converted and redeemed after the first ordinary conversion period of the issuance and ii) in November 2023 the share capital of PRISA was increased by a nominal amount of EUR 10 thousand to attend the conversion of 100 subordinated notes, which have been converted and redeemed after the second ordinary conversion period of the issuance (see following section “Other net equity instruments”).

Consequently, as of December 31, 2023, the share capital of PRISA amounts to EUR 100,827 thousand and is represented by 1,008,271,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, with the same rights and fully paid up.

On December 31, 2023, the significant shareholders of PRISA, according to information published on the website of the Comisión Nacional del Mercado de Valores (“CNMV”) and in some cases, information that has been provided by the shareholders to the Company, are the following:

Shareholder’s Name	Number of Direct Voting Rights	Number of Indirect Voting Rights	Total % of Voting Rights (1)
JOSEPH OUGHOURLIAN (2)	-	300,041,544	29.76%
VIVENDI, S.E.	118,913,336	-	11.79%
RUCANDIO, S.A.	-	79,471,328	7.88%
GLOBAL ALCONABA, S.L.	73,981,058	-	7.34%
CONTROL EMPRESARIAL DE CAPITALAS, S.A. DE CV	70,719,171	-	7.01%
KHALID BIN THANI BIN ABDULLAH AL-THANI (3)	-	36,422,971	3.61%
ROBERTO LÁZARO ALCANTARA ROJAS (4)	18,565	35,570,206	3.53%
BANCO SANTANDER, S.A. (5)	17,239,369	17,017,746	3.40%

The aforementioned indirect shareholding is held as follows:

Indirect Shareholder’s Name	Direct Shareholder’s Name	Number of Direct Voting Rights	Total % of Voting Rights
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L	249,891,670	24.78%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	50,149,874	4.97%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	90,456	0.01%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	125,949	0.01%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	79,254,923	7.86%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	36,422,971	3.61%

Indirect Shareholder's Name	Direct Shareholder's Name	Number of Direct Voting Rights	Total % of Voting Rights
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L	249,891,670	24.78%
ROBERTO LÁZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	35,570,206	3.53%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	5,627,382	0.56%
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	5,762,982	0.57%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	5,627,382	0.56%

(1) The percentages of voting rights have been calculated on the total voting rights in PRISA at December 31, 2023 (i.e. 1,008,271,193 rights).

(2) Mr. Joseph Oughourlian, external director representing significant shareholdings, controls Amber Capital UK, LLP, which acts as investment manager to Oviedo Holdings Sarl and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund.

(3) International Media Group, S.A.R.L. is 100% owned by International Media Group Limited which in turn is 100% owned by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani.

(4) Mr Roberto Lázaro Alcántara Rojas controls 85% of Consorcio Transportista Occher S.A. de CV.

(5) According to the information available to the Company, as of December 18, 2020, date of holding of the last PRISA Shareholders' Meeting attended by Banco Santander, it was the owner, directly and indirectly, of the voting rights that are reflected in the above tables.

Additionally, as of December 31, 2023 and according to the information that is published on the CNMV's website, the ownership of significant participations on financial instruments that have PRISA's underlying voting rights is as follows:

Shareholder's Name	Number of voting rights that may be acquired if the instrument is exercised/converted	Total % of Voting Rights
MELQART OPPORTUNITIES MASTER FUND LTD (1)	15,491,512	1.54%

(1) Melqart Asset Management (UK) Ltd. actúa como Investment Manager de Melqart Opportunities Master Fund Ltd. Additionally, Melqart Opportunities Master Fund holds 237,263 voting rights, which represent 0.02% of PRISA's share capital.

### Share premium

The Recast Text of the Capital Companies Act no specific restriction whatever regarding the availability of the balance of this reserve.

As a result of the capital increases described in the previous note, within the framework of the issuance of subordinated notes necessarily convertible into newly issued ordinary shares of the Company, the share premium has increased during 2023 in EUR 72,258 thousand,

amounting at December 31, 2023 to EUR 89,346 thousand (EUR 17,088 thousand at December 31, 2022).

## Reserves

### *Legal reserve-*

Under the Consolidated Text of the Corporate Enterprises Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

Except as indicated above, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The balance of this account at December 31, 2023 and 2022 amounts to EUR 12,646 thousand, without being fully endowed in both exercises.

### *Reserve for treasury shares-*

Article 142 of the Consolidated Text of the Corporate Enterprises Act states that when a company acquires treasury shares, it must record in equity of the balance sheet a restricted reserve equal to the carrying amount of the treasury shares. This reserve must be maintained until the shares are sold or cancelled.

The balance of this account at December 31, 2023 amounts to EUR 1,449 thousand (at December 31, 2022, EUR 401 thousand).

### *Voluntary reserves-*

In the financial year 2023 the changes in this account were mainly as follows:

- Decrease of EUR 1,860 thousand due to operations carried out in the year with treasury shares (*see section "Treasury shares"*).
- In addition, in 2023 the Company recognised other reserves related to the Medium-Term Incentive Plan (*see note 14*) for the year amounting to EUR 1,724 thousand.
- Decrease of EUR 2,668 thousand for expenses related to the issuance of subordinated notes and subsequent share capital increase.
- 

The balance at December 31, 2023 of this item amounts to a negative amount of EUR 516 thousand (EUR 2,286 thousand at December 31, 2022).

### *Other reserves-*

As a consequence of the share capital reduction in 2020, a new reserve was set up which will only be available under the same requirements as those for the share capital reduction, for the amount of EUR 267,418 thousand at December 31, 2023 and 2022.



#### *Loss from previous years-*

At December 31, 2022 there wasn't any amount of this item.

During 2023 as a result of the distribution of 2022 loss, this account has increased until leaving a negative amount of EUR 90,956 thousand as of December 31, 2023.

#### *Current Tax Reserves-*

This heading includes the tax effect associated with the issuance and conversion costs of the convertible bonds mentioned above.

### **Other net equity instruments**

The issue of the bond mandatorily convertible into shares described in note 1b has been treated and recorded in 2023 as a compound financial instrument, because it is including both liability and equity components (*see note 4*).

Thus, an equity component has been recorded after deducting all of its liabilities, since the bond is mandatorily convertible into a fixed number of shares and does not include any contractual obligation to hand over cash or any other financial asset other than the payment of the coupons aforementioned in note 1b. Therefore, as a result of recording the transaction at the fair value of the equity instruments being issued, an initial equity instrument amounting to EUR 126,003 thousand has been accounted, resulting from the difference between the cash received for the issue of the convertible bond and the liability described in the following paragraph, thereby increasing the net equity by this amount. The conversion price of the convertible bonds does not substantially differ from the listed value of the PRISA shares during the subscription period of the convertible bond (*see note 1b*).

Additionally, a liability has been recorded under the heading "*Non-current financial liabilities*" calculated as the present value of the cash coupons payable, considering that the mandatory conversion of the bond would take place at the end of the bond's life, without considering early conversions, insofar as early conversions is out of the Company's control. As a result, an initial financial liability of EUR 3,997 thousand was recorded (*see note 7.3*).

The transaction costs, for an amount of EUR 2.4 million, have mainly been recorded as a decrease in the net profit, since almost all of the convertible bond has been recorded as an equity instrument.

As mentioned above, in May and November 2023 there have been conversions and early conversions of 267,621 subordinated bonds. This has resulted in the reversal of the financial liability associated with the aforementioned converted bonds for the portion corresponding to the coupon that the Company is no longer obliged to pay, insofar as PRISA has only had to pay the accrued coupon corresponding to such bonds from the time of their issue in February 2023 until their early conversion in May and November 2023 for an insignificant amount. Therefore, the amount reversed at December 31, 2023 with a credit to the net equity amounted to EUR 2,786 thousand.

Finally, the aforementioned early conversions of the subordinated debentures have led to a reclassification within net equity between the heading "*Other equity instruments*" (where the equity component of the converted debentures was recorded) and share capital and share premium for a total amount of EUR 99,020 thousand.

### Treasury shares

The changes in "*Treasury shares*" in 2023 and 2022 were as follows:

	Year 2023		Year 2022	
	Number of shares	Amount (thousand of euros)	Number of shares	Amount (thousand of euros)
<b>At beginning of year</b>	<b>1,425,317</b>	<b>401</b>	<b>2,335,568</b>	<b>1,320</b>
Purchases	5,047,753	1,899	1,174,355	626
Sales	(727,285)	(249)	(1,024,019)	(539)
Deliveries	(748,677)	(1,600)	(1,060,587)	(2,308)
Reserve for treasury shares	-	998	-	1,302
<b>At end of year</b>	<b>4,997,108</b>	<b>1,449</b>	<b>1,425,317</b>	<b>401</b>

At December 31, 2023, Promotora de Informaciones, S.A. held a total of 4,997,108 treasury shares, representing 0.496% of its share capital.

Treasury shares are valued at market price at December 31, 2023, 0.29 euros per share. The total market value of the treasury shares amounts to EUR 1,449 thousand.

At December 31, 2023, the Company did not hold any shares on loan.

In July 2019, the Company signed an annual liquidity contract, which is solely intended to encourage liquidity and regularity in the Company's share price, within the limits established by the Company's General Meeting and by the applicable regulations, in particular Circular 1/2017. Through various Addendums to the original contract, the parties agreed to extend the term of the agreement yearly, the last one in July 2023, until July 2024. This contract has been temporarily suspended between March 29, 2023 and September 29, 2023 due to the Buyback programme mentioned in the next paragraph. In the framework of this contract, the Company has purchased a total of 626,039 shares and sold a total of 727,285, and therefore the net solds in the 2023 financial year have been 101,246 shares and EUR 40 thousand.

On March 28, 2023, the Board of Directors of the Company agreed to a share buyback programme under the authorisation granted by the Ordinary General Shareholders' Meeting of June 28, 2022, with the sole purpose of providing the Company's treasury stock with a sufficient number of shares to cover the settlements of the remuneration plans currently in force for the executive directors and executives of the PRISA Group. It began on March 29, 2023 and ended on September 29, 2023 after the six-month deadline for implementation. Within the framework of this programme, the Company acquired a total of 4,421,714 shares at a cost of EUR 1,689 thousand.

Also, during 2023, the delivery of treasury shares derived from the 2022-2025 Incentive Plan has been carried out for both CFO of PRISA, the executive presidents of Santillana and Media

and the management team (*see note 14*). In the framework of this contract, the Company has delivered a total of 748,677 shares that were valued at a cost of EUR 1,600 thousand in the balance sheet.

In addition, during 2022 the treasury shares derived from the Medium-Term Incentive Plan for the period 2018/2020, which was approved by the Ordinary General Shareholders Meeting on 25 April 2018, were delivered. Within the framework of this contract, the Company delivered a total of 905,302 shares that were valued at a cost of EUR 1,991 thousand in the balance sheet.

Also in 2022, 155,285 shares were granted in connection with successful Refinancing, valued at a cost of EUR 317 thousand in the balance sheet.

### **Capital management policy**

The principal objective of the Company's capital management policy is to achieve an appropriate capital structure (Equity and debt) that guarantees the sustainability of its business, aligning shareholder interests with those of its various financial creditors.

In this way, in recent years, the Company's directors have taken a series of measures to strengthen the Group's financial and equity structure, focusing on profitable growth and value generation as described below.

On June 29, 2020, the PRISA's General Shareholder Meeting agreed to reduce in share capital of the Company in order to reestablish its equity balance.

On October 19, 2020, PRISA, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments. On December 31, 2020, the transaction was close.

On April 19, 2022, the amendment of the Group's syndicated financial debt entered into force (the "Refinancing"), which considered, among other aspects, the extension of the maturity of the financial debt to 2026 and 2027, the division of the syndicated loan into two differentiated tranches (one of Senior debt and one of Junior debt) and the flexibilization of the contractual commitments of the debt that will allow, among other improvements, to increase PRISA's operating flexibility and soften the financial ratios required by the previous contracts. Likewise, terms of the Super Senior contract debt of the Company were modified, that among other terms, supposed an extension of the maturity of the debt to June 2026.

In January 2023, the Board of Directors of PRISA unanimously agreed to issue subordinated bonds mandatorily convertible into newly issued ordinary shares of the Company, with preemptive subscription rights for PRISA shareholders. In February 2023, convertible bonds amounting to a total of EUR 130 million were subscribed, i.e. the full amount of the offer. EUR 110 million were earmarked for partial early repayment of the PRISA's Junior debt tranche.

In May and November 2023, and in accordance with the conversion schedule established in

the issuance of the aforementioned subordinated bonds (which established semi-annual early conversion windows at the discretion of the holders of said bonds), 267,621 subordinated bonds were converted, which has led to the issuance of 267,621,000 newly issued ordinary shares of the Company, according to the conversion price established.

This issuance has improved the equity position of the Company insofar as the aforementioned instrument has been deemed a compound financial instrument, in which virtually the entire amount of the cash received from said issuance has been registered as net equity, given that the stock of debentures is necessarily converted into new shares of the Company at a fixed exchange rate (*see note 1b*).

Following the communication of the second Issuance of subordinated bonds mandatorily convertible into newly issued ordinary shares of the PRISA (*see note 20*), the Board of Directors of PRISA agreed, on January 30, 2024, to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 (*see note 1b*) in accordance with its provisions of terms and conditions. This has led a conversion and early amortization of 20,287 subordinated obligations, which will entail the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the mentioned conversion, has been set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

As of December 31, 2023, the equity of the Company is greater than two thirds of total share capital, which is why it was in a situation of equity balance at that date.

## 10. TAX MATTERS

As indicated under “Accounting Policies,” the Company files consolidated income tax returns in Spain, in accordance with the Spanish Corporation Tax Law, and is the Parent of consolidated tax group 2/91. The companies included in the consolidated tax group are detailed in Appendixes I and II.

As the parent of the aforementioned consolidated tax group, Promotora de Informaciones, S.A. recognises the Group’s overall position vis-à-vis the tax authorities resulting from application of the consolidated tax regime, in accordance with the following table:

	Thousands of Euros	
	2023	2022
<b>Sum of individual tax bases</b>	<b>(57,413)</b>	<b>(39,287)</b>
Offset of tax losses arising prior to inclusion in the Group	-	-
Increase 50% individual tax losses 2023 (DA 19 LIS)	50,267	-
Offset of Group tax losses	-	-
<b>Consolidated taxable profit</b>	<b>(7,146)</b>	<b>(39,287)</b>
<b>Consolidated gross tax payable</b>	<b>-</b>	<b>-</b>
Double taxation tax credits generated	-	-
Investment tax credits	-	-
Donations tax credits	-	-
<b>Net tax payable</b>	<b>-</b>	<b>-</b>
Withholdings from tax group	(28)	(16)
Advance payments	-	-
<b>Income tax refundable</b>	<b>(28)</b>	<b>(16)</b>

### Reconciliation of the accounting profit (loss) to the taxable profit (tax loss)

The reconciliation of the income and expenses for the year to the taxable profit (tax profit/loss) used to calculate the income tax expense for 2023 and 2022 is as follows (in thousands of Euros):

	2023			2022		
	Income statement	Items recognised in Equity with tax impact	Total	Income statement	Items recognised in Equity with tax impact	Total
<b>Balance of income and expenses for the year from continue activities</b>	<b>(85,725)</b>	<b>(2,227)</b>	<b>(87,952)</b>	<b>(90,956)</b>	<b>(24)</b>	<b>(90,980)</b>
Income tax *	(5,622)	(270)	(5,892)	(9,635)	-	(9,635)
Adjustment of prior years' income tax *	593	-	593	(7)	-	(7)
Individual permanent differences *	38,050	-	38,050	34,984	-	34,984
Individual temporary differences *	(186)	-	(186)	(186)	-	(186)
<b>Taxable profit</b>	<b>(52,890)</b>	<b>(2,497)</b>	<b>(55,387)</b>	<b>(65,800)</b>	<b>(24)</b>	<b>(65,824)</b>

\*This amount is a component of the recognised income tax

The permanent differences correspond mainly to: (i) the different accounting and tax treatment of investment valuation provisions and risks and expenses, and others concepts, and generate a decrease of EUR 4,793 thousand, (ii) a negative adjustment of the exemption of dividends, for EUR 2,908 thousand, to which article 21 of the Spanish Corporation Tax Law applies, (iii) a negative adjustment of the tax merger difference corresponding to 2023 for EUR 19,294 thousand, arising from the merger operation of the companies Promotora de Informaciones, S.A. and Prisa Televisión, S.A.U. (merger by takeover described in Note 17 of the Financial Statement corresponding to 2013), applying the requirements of Article 89.3 of the Tax Law in force at that time to give it tax effect, (iv) a positive adjustment for the contributions made to non-profit organizations for EUR 105 thousand, which generated an expense not deductible from the taxable profit, (v) a positive adjustment of EUR 557 thousand

arising from the non-deductibility of the rental expense relating to the properties transferred in 2008, as it is incompatible with the deduction for reinvestment of extraordinary income generated and (vi) a positive adjustment for the limitation of the deductibility of financial expenses outlined in article 16 of the aforementioned Income Tax Law, which amounts to EUR 64,423 thousand.

The temporary differences come from the recovery by tenths of the amount subject to the limitation of the deductibility of the amortisation expense provided for in article 7 of Law 16/2012, of December 27, by which various directed tax measures are adopted to the consolidation of public finances and the boost to economic activity amounting to EUR 186 thousand.

### Reconciliation of the accounting profit (loss) to the income tax expense

The reconciliation of the accounting profit (loss) to the income tax expense is as follows (in thousands of Euros):

	2023			2022		
	Income Statement	Items recognised in Equity with tax impact	Total	Income Statement	Items recognised in Equity with tax impact	Total
Accounting profit (loss) before tax (*)	(90,754)	(2,497)	(93,251)	(100,598)	(24)	(100,622)
Rate os 25%	(22,689)	(624)	(23,313)	(25,150)	(6)	(25,156)
Individual permanent differences on consolidation	9,513	-	9,513	8,746	-	8,746
Impact of temporay differences	(46)	-	(46)	(46)	-	(46)
Current Income tax	(13,222)	(624)	(13,846)	(16,450)	(6)	(16,456)
Deferred income tax	46	-	46	46	-	46
Adjustment of prior years income tax	593	-	593	(8)	-	(8)
Adjustment no generation of DTA by NOLs	7,554	354	7,908	6,769	6	6,775
<b>Total income tax</b>	<b>(5,029)</b>	<b>(270)</b>	<b>(5,299)</b>	<b>(9,643)</b>	<b>-</b>	<b>(9,643)</b>

\* Including "Result from discontinued operations, net of tax"

### Tax receivables and tax payables

The detail of the balances with Tax Receivables at December 31, 2023 is as follows (in thousands of Euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax refundable/payable	952	-	-	-
Deferred tax assets arising from temporary differences	-	46	-	-
VAT, personal income tax withholdings, social security taxes and other	1	-	556	-
<b>Total</b>	<b>953</b>	<b>46</b>	<b>556</b>	<b>-</b>

The detail of the balances with Tax Authorities at December 31, 2022 was as follows (in thousands of Euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax refundable/payable	990	-	-	-
Deferred tax assets arising from temporary differences	-	93	-	-
VAT, personal income tax withholdings, social security taxes and other	2	-	249	-
<b>Total</b>	<b>992</b>	<b>93</b>	<b>249</b>	<b>-</b>

### Deferred tax assets and liabilities

#### *Deferred tax assets-*

The detail of the Tax Group's taxable losses is as follows:

Year of generation	NON-ACTIVATED
	Amount (thousand of euros)
2006	821
2011	136,985
2012	232,380
2013	40,981
2014	36,745
2015	626,769
2017	155,782
2018	42,915
2019	30,797
2020	59,436
2021	65,518
2022	41,493
2023	7,146
2023 (DA 19 LIS)	50,267
<b>TOTAL</b>	<b>1,528,036</b>

Law 38/2022, which amends certain tax regulations, introduced the 19th Additional Provision (DA in Spanish) of the Corporate Income Tax Law (LIS in Spanish), which lays down that with effect from 2023, the taxable income of the tax group will be determined by adding the taxable income and 50 per cent of the individual tax losses. The amount of individual tax losses not included in the taxable income of the tax group as a result of the application of this Provision

will be included in the taxable income of the Group in equal parts in each of the first ten tax periods beginning on or after January 1, 2024. The amount generated in the Group by this temporary measure for determining the taxable income of the tax group amounts to EUR 50,267 thousand.

The Tax Group's taxable losses are not subject to an expiry period for compensation.

### Contribution to the taxable losses generated by the Tax Group

In accordance with the article 74 of the Income Tax Law, the amount of The Tax Group's taxable losses pending compensation, to whose formation the Company has contributed, is as follows:

Year of generation	NON-ACTIVATED
	Amount (thousand of euros)
2011	94,498
2012	42,376
2013	21,826
2014	593,990
2015	40,224
2017	26,400
2018	14,953
2019	24,911
2021	18,548
2022	27,133
2023	3,937
2023 (DA 19 LIS)	27,694
<b>TOTAL</b>	<b>936,490</b>

Pursuant to the Nineteenth Additional Provision of the Corporate Income Tax Law, 50% of the individual tax losses generated by the Company in 2023, which will be included in the taxable income of the consolidating Group in equal parts in each of the first ten tax periods beginning on or after January 1, 2024, amounts to EUR 27,694 thousand.



The detail of the maturity of the Tax Group's tax deductions, is as follows:

Year of statute of limitation	NON-ACTIVATED
	Amount (Thousands of Euros)
2024	7,769
2025	33,724
2026	12,351
2027	4,541
2028	9,265
2029	12,257
2030	5,428
2031	1,838
2032	273
2033	85
2034	53
2040	917
No Limits	54,748
<b>TOTAL</b>	<b>143,249</b>

The Company has not recognised deferred tax assets in respect of tax losses and deductions at 31 December 2023 as it considers that the generation of taxable income in future years is not reasonably assured.

#### Tax adjustments to the accounting profit to be recovered

The following is a breakdown of the tax adjustments to the accounting profit to be recovered by the company in future years.

<i>(EUR thousand)</i>	Increase	Decrease
Deduction of 30% of the amount of accounting depreciation expenses	-	225
Impairment losses on PP&E, investment property and intangible fixed assets, including goodwill (art.13.2 a) and DT 15 LIS)	-	183
Other non-tax deductible provisions (art. 14 LIS) not affected by art. 11.12 LIS	-	683
Adjustments for the limitation on the deductibility of financial expenses (art. 16 LIS)	-	496,906
<b>TOTAL</b>	-	<b>497,997</b>

### **Years open to examination by the tax authorities**

The resolutions of the Supreme Court relating to inspections of Corporate Income Tax for the financial years 2006-2008 and 2009-2011 were implemented during 2023. This resulted in the Group recognising an increased negative tax base of EUR 4,342 thousand and higher deductions amounting to EUR 819 thousand.

During 2023, the start of partial tax inspections was reported. These actions are limited to the verification of the double taxation tax credit regulated in article 31 of the Corporate Income Tax Law generated in 2019, as well as the adjustments to the positive and negative accounting results associated with the aforementioned tax credit, for both Promotora de Informaciones, S.A. and certain subsidiaries. It is not estimated that these inspections will result in a significant negative equity impact for the Company.

In 2019 the inspections of corporation tax for the years 2012 to 2015 came to an end, no amounts were stipulated for deposit, and the main effect of this was a redistribution of tax credits from one category to another. The Company filed the corresponding economic-administrative appeal to the TEAC, and subsequently a contentious-administrative appeal to the National Court of Spain, which is currently pending a ruling.

In 2021, the inspection procedures relating to Value Added Tax for the periods 2016-2018 of VAT Group 105/08 were completed, with the signing of (i) a conformity assessment corresponding to years 2017 and 2018 from which no tax liability arose and (ii) a settlement agreement relating to the 2016 financial year amounting to EUR 147 thousand, which was paid by the Company. At the date of authorization of these financial statements, a resolution has been handed down by the TEAC dismissing the appeal. This will now be the subject of an administrative appeal before the National High Court.

The Company has all state taxes open to examination since 2020. Additionally, the Company has the last four years open to examination for all non-state taxes. It is not expected that there will be accrued liabilities of consideration to the Company in addition to those already registered, as a result of these procedures or of a future and possible inspection.

### **Transactions under the special regime**

The disclosures required by Article 86 of the Spanish Corporation Tax Law relating to corporate restructuring transactions under the special regime of Chapter VII of Title VII of the aforementioned legislation, made in previous years, are included in the notes to the financial statements of the years in which these transactions took place.

### **Pillar 2**

On December 19, 2023, the Council of Ministers of Spain approved the Draft Law that regulates the so-called "Pillar 2" which, after its enactment, will apply to PRISA, as the parent entity of the Group, for the Group's financial years starting from January 1, 2024. The Group has carried out an assessment to determine if it is potentially exposed to Pillar 2 taxes.

The assessment of potential exposure to these new taxes is based on financial and tax information for the entities that make up the Group. According to this evaluation, it is estimated that the effective Pillar 2 tax rates in the jurisdictions in which the Group operates are above 15% and, therefore, it will be able to avail itself of the temporary "safe harbours" contained in the regulation, which establish that the tax obligation is zero. Therefore, it will not be exposed to the tax or, if it is applicable, it will be immaterial.

## 11.- INCOME AND EXPENSE

### Employees

The detail of "Employee benefits costs" in the income statements for 2023 and 2022 is as follows (thousands of euros):

	2023	2022
Employer social security costs	648	638
Other employee benefit costs	123	102
<b>Total</b>	<b>771</b>	<b>740</b>

The average number of employees in 2023 and 2022 was 40 and 44, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2023		2022	
	Men	Women	Men	Women
Executives	3	7	3	6
Middle management	4	4	3	4
Qualified line personnel	7	12	10	13
Other	-	3	-	4
<b>Total</b>	<b>14</b>	<b>26</b>	<b>17</b>	<b>27</b>

The number of employees at December 31, 2023 was 43 and at December 31, 2022 was 41 all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	12/31/23		12/31/22	
	Men	Women	Men	Women
Executives	3	7	3	7
Middle management	4	4	4	5
Qualified line personnel	8	14	8	11
Other	-	3	-	3
<b>Total</b>	<b>15</b>	<b>28</b>	<b>15</b>	<b>26</b>

During 2023 there wasn't any employee with disabilities equal or greater than 33%. In 2022 there was an employee with disabilities equal or greater than 33%.

## External services

The detail of “*External services*” in 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Leases and fees	692	749
Repairs and maintenance	248	370
Independent professional services	3,484	4,077
Other external services	1,485	1,804
<b>Total</b>	<b>5,909</b>	<b>7,000</b>

The “*Other external services*” includes in 2023 an expense of EUR 393 thousand corresponding to the liability insurance of Managers and Directors (EUR 393 thousand in 2022).

## Operating leases

Different assets used by the Company are under operating lease arrangements, the most significant corresponding to the building of Miguel Yuste, 40 (Madrid) where the Company carry out its main activity. Diario El País, S.L., a subsidiary of the Company, has signed the operating lease contract for this property, partially passing on the expense to the Company. As such, the Company has no future commitments for this concept.

The expense recognized by the Company in the income statement for the year 2023 and corresponding to the operating lease where it develops its mainly activity, amounts to EUR 122 thousand (EUR 320 thousand for the year 2022).

## Fees paid to auditors

The fees for financial audit services relating to the 2023 individual and consolidated financial statements of Prisa provided by Ernst & Young, S.L., amounted to EUR 355 thousand (EUR 294 thousand in 2022).

Fees for other professional services provided to the Company by the principal auditor (Ernst & Young S.L.) and by other entities related to the auditor are as follow (in thousands of euros):

	2023	2022
Other audit services	-	130
Other verification services	145	300
<b>Other professional services</b>	<b>145</b>	<b>430</b>

## 12.- NET FINANCIAL RESULT

The detail of “*Net Financial Result*” in the income statements is as follows:

	Thousands of Euros	
	2023	2022
Income from loans	104	9
Income from hedges operations	3,091	-
Other financial income	2	1
<b>Financial income</b>	<b>3,197</b>	<b>10</b>
Interest on debts with Group companies	(269)	(751)
Interest on debts with third parties	(79,906)	(46,458)
Loan arrangement costs	358	(43,779)
Financial expenses por hedging operations	-	(823)
Other financial expenses	(11)	(1)
<b>Financial expenses</b>	<b>(79,828)</b>	<b>(91,812)</b>
<b>Change in fair value of financial instruments</b>	<b>(14,473)</b>	<b>(3,871)</b>
Positive exchange differences	19	21
Negative exchange differences	(22)	(16)
<b>Net exchange differences</b>	<b>(3)</b>	<b>5</b>
<b>Impairment and losses of financial instruments</b>	<b>5,477</b>	<b>(647)</b>
<b>Financial outcome</b>	<b>(85,630)</b>	<b>(96,315)</b>

The heading “*Financial income from hedging operations*” includes the gain associated with the interest savings due to the periodic settlement of the contracted interest rate hedges (*see note 7.3*).

The increase in “*Interest on debt with third parts*” is mainly explained by the significant increase in the Euribor on the cost of the Company's financial debt, which is pegged to this indicator, even though EUR 110,000 thousand of Junior debt have been amortized in February 2023 with the funds from the issuance of convertible bonds (*see note 1b and 7.3*).

In 2022 the heading “*Loan arrangement costs*” included all expenses and fees related to the Refinancing, including the refinancing, structuring and underwriting fee which the Company chosed to pay through the issue of shares.

Additionally, in 2022 a negative impact was accounted under the heading “*Value variation of financial instruments*” of the financial result for an amount of EUR 8,325 thousand, associated with the derecognition of amortized cost of the original financial liability (i.e. the part of the syndicated loan of the Group subject to the Refinancing recorded in the Company). Also in 2022, the heading “*Value variation of financial instruments*” included a positive impact of EUR 10,117 thousand for the difference between the nominal value of the debt and its fair value on the date of initial recognition (*see note 7.3*).

In addition, the Company's assumption of the debt of its investee Prisa Activos Educativos, S.A.U. was also made at fair value, with a difference with respect to the nominal value of EUR 28,168 thousand. From that moment on, the difference between the nominal value of the debt

and its initial fair value is recognized as an expense in the income statement using the effective interest method. In financial year 2022 the expense moved to the income statement amounted EUR 4,11,981 thousand.

This amount includes approximately EUR 5.5 million of interest expense associated with the portion of the Junior debt that was partially repaid early in February 2023 in the amount of EUR 110 million (see notes 1 and 7.3), which at that date had not yet been taken to the income statement during the period of the Refinancing.

Finally, this heading also includes the financial expense during 2023 from the change in fair value of the interest rate hedges contracted in 2022 and in 2023 for the amount of EUR 2,492 thousand.

### 13.- PROVISIONS AND CONTINGENCIES

The changes in “Provisions and contingencies” in 2023 are as follows (in thousands of euros):

	Balance at 12/31/2022	Additions	Reversals	Amounts used	Balance at 12/31/2023
Provision for litigation in progress	300	175	-	-	475
Provisions for third-party liability	1,749	41	-	-	1,790
Other provisions	96	158	-	-	254
<b>Total long-term provisions</b>	<b>2,145</b>	<b>374</b>	-	-	<b>2,519</b>
Provisions for third-party liability	3,320	-	-	-	3,320
<b>Total short-term provisions</b>	<b>3,320</b>	-	-	-	<b>3,320</b>

The changes in “Provisions and contingencies” in 2022 were as follows (in thousands of euros):

	Balance at 12/31/2021	Additions	Reversals	Amounts used	Balance at 12/31/2022
Provision for litigation in progress	300	-	-	-	300
Obligations for long-term employee benefits	210	-	(210)	-	-
Provisions for third-party liability	2,202	-	(453)	-	1,749
Other provisions	7	89	-	-	96
<b>Total long-term provisions</b>	<b>2,719</b>	<b>89</b>	<b>(663)</b>	-	<b>2,145</b>
Provision for trade receivables	206	-	(206)	-	-
Provisions for third-party liability	3,320	-	-	-	3,320
Other provisions	96	-	-	(96)	-
<b>Total short-term provisions</b>	<b>3,622</b>	-	<b>(206)</b>	<b>(96)</b>	<b>3,320</b>

The main changes under the heading “Provisions for long-term third-party liability” correspond basically to the decreases in the provisions established to cover the negative equity that at December 31, 2022, presents the company Promotora de Actividades América 2010, S.L (Company in liquidation) (EUR 453 thousand).

## 14.- SHARE-BASED PAYMENTS

### Medium Term Incentive Plans 2022-2025:

Currently, the following Medium Term Incentive Plans are in force, for the period 2022-2025, which are payable in PRISA shares:

#### **i. PRISA CFO's Medium Term Incentive Plan 2022-2025:**

PRISA's CFO, Ms Pilar Gil (who is, in turn, executive director of PRISA) is beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA's budget (linked to the Cash Flow of Grupo PRISA) in fiscal years 2022, 2023, 2024 and 2025. The Plan was approved by the Board of Directors on 26 July 2022 and by the Ordinary Shareholders' Meeting of PRISA held on June 27, 2023.

Ms. Gil has been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect (she has been assigned 554,097 theoretical shares for each year of the Plan, that is, a total of 2,216,388 theoretical shares), which would serve as a reference to determine the final number of shares to be awarded. The calculation was made considering the average trading value of PRISA shares during the last quarter of 2021. The incentive may likewise increase in view of the evolution of PRISA's share price.

In 2023, an expense of EUR 270 thousand has been recorded for this Plan (considering the degree of achievement of the objectives for the years 2023 and 2022 and valuing the shares at the Prisa quotation price at the measurement date).

In addition, it is noted that in 2023 Ms Gil has received 139,234 net shares (249,344 gross shares), in settlement of one third of the amount earned in 2022, in accordance with the terms of the Plan. This delivery of shares has had no impact on the consolidated income statement for the year 2023.

#### **ii. Executive Chairman of Santillana's Medium-Term Incentive Plan 2022-2025 (executive director of PRISA):**

The Executive Director of Santillana Mr. Francisco Cuadrado (who is, in turn, executive director of PRISA) is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in Santillana's budget (linked to EBIT and Cash Flow) in fiscal years 2022, 2023, 2024 and 2025. The plan was approved by the Board of Directors of PRISA on May 24, 2022, and was also approved at the Ordinary Shareholders Meeting held on 28 June 2022.

Mr Cuadrado has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value

of PRISA shares during the last quarter of 2021. Also, the incentive may be increased depending on the evolution of PRISA's share Price.

In addition, it is noted that in 2023 Mr Cuadrado has received 182,153 net shares (330,765 gross shares), in settlement of one third of the amount earned in 2022, in accordance with the terms of the Plan.

**iii. Executive Chairman of PRISA Media's Medium-term Incentive Plan 2022-2025 (executive director of PRISA):**

The Executive Director of PRISA Media (who is, in turn, executive director of PRISA) is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023, 2024 and 2025.

The plan was approved by the Board of Directors of PRISA on December 21, 2021 and was subsequently modified by the Board (to extend it until 2025 in line with the Company's Strategic Plan) and was also approved at the Ordinary Shareholders Meeting held on 28 June 2022.

Mr Nuñez has been granted with a theoretical number of shares equivalent to EUR 500 thousand gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021. Also, the incentive may be increased depending on the evolution of PRISA's share price.

In addition, it is noted that in 2023 Mr Nuñez has received 63,132 net shares (113,179 gross shares), in settlement of one third of the amount earned in 2022, in accordance with the terms of the Plan. This delivery of shares has had no impact on the consolidated income statement for the year 2023.

**iv. Management Team's Medium Term Incentive Plan 2022-2025 (PRISA Media, Santillana and PRISA):**

At its meeting held on 26 April 2022, PRISA's Board of Directors approved a medium-term incentive plan benefiting some PRISA Media, Santillana and PRISA executives. Only one of the members of the senior management group is a beneficiary of this Plan.

The Plan is linked to the fulfillment of the following quantitative financial objectives, in the years 2022, 2023, 2024 and 2025: i) in the case of PRISA Media, the objectives are linked to EBITDA, Cash Flow and digital income of its budget; ii) in the case of Santillana are linked to the EBIT and Cash Flow of its budget and iii) in the case of PRISA are linked to the adjusted cash flow of Grupo Prisa, of its budget.

Each management group in PRISA Media and Santillana has been assigned a number of theoretical shares equivalent to EUR 700 thousand gross for each year the Plan is in



effect, and the management group in PRISA has been assigned a number of theoretical shares equivalent to EUR 125 thousand gross for each year the Plan is in effect, which will serve as a reference for determining the final number of shares to be awarded. The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

In 2023, an expense of EUR 113 thousand has been recorded for this plan (considering the degree of achievement of the objectives corresponding to fiscal years 2023 and 2022 and valuing the shares at PRISA's trading price on the measurement date).

Additionally, it is noted that in the first half of 2023, 364,158 net shares (653,249 gross shares) have been settled with the aforementioned group of directors of PRISA Media, Santillana and PRISA, that is, one third of the incentive resulting from 2022 in accordance with the conditions of the Plan. This delivery of shares has not had any impact on the income statement for 2023. It is noted that it has not been possible to deliver all of the shares to be settled in 2023 to the Management Team, for various reasons beyond the control of the Company, which are the responsibility of the beneficiaries.

#### **Achivement of 2022 objectives. Settlement:**

In 2023, PRISA Board of Directors has verified achivement of the objectives corresponding to the 2022 financial year and, at the proposal of the CNRGC, has determined the incentive resulting from the 2022 financial year with the consequent number of shares to be delivered to each of the beneficiaries, in accordance with the following detail:

	Total number of gross shares to be delivered (compliance with incentive plan in 2022)	No. gross shares settled in 2023 (1/3) (*)	No. gross shares to be settled in 2024 (1/3) (**)	No. gross shares to be settled in 2025 (1/3) (**)
<b>CFO PRISA</b>	<b>748,031</b>	249,344	249,344	249,343
<b>Executive Chairman PRISA Media</b>	<b>339,538</b>	113,179	113,179	113,180
<b>Executive Chairman Santillana</b>	<b>992,294</b>	330,765	330,765	330,764
<b>Management Team</b>	<b>1,926,679</b>	653,249	636,711	636,719

(\*) The annual accounts for the 2022 financial year were prepared on March 28, 2023 and, in accordance with the conditions of the incentives, one third of the incentive resulting from the 2022 financial year was to be paid within 60 calendar days following such preparation. This third was paid on May 25, 2023.

(\*\*) In 2024 and 2025, within 60 calendar days following the preparation of the annual accounts corresponding to the years 2023 and 2024, respectively, the remaining 2/3 will be settled, if the rest of the conditions provided in the Plan Regulations are met.

## 15.- GUARANTEE COMMITMENTS TO THIRD PARTIES

At December 31, 2023, Prisa had furnished bank guarantees amounting to EUR 328 thousand (EUR 339 thousand at December 31, 2022). Additionally, the Company is the joint and several guarantor of the obligations incurred under the lease contract of the offices of C/ Miguel Yuste of which Diario El País, S.L. is the lessee, and the lease contract of the offices of C/Gran Vía, 32, Madrid and C/Caspe 6-20, Barcelona, of which Sociedad Española de Radiodifusión, S.L.U. is the lessee.

In the opinion of the Company's Directors, the possible effect on the accompanying income statements of the guarantees provided would not be significant.

## 16.- RELATED PARTY TRANSACTIONS

The transactions performed with Group companies, associates and related parties in 2023 and 2022 are as follows in thousands of euros:

	12/31/2023			12/31/2022		
	Directors and Executives	Group companies or entities	Significant shareholders	Directors and Executives	Group companies or entities	Significant shareholders
Receivables	-	2,111	-	-	1,410	-
Financial credits	-	13,800	-	-	15,730	-
<b>Total receivable accounts</b>	<b>-</b>	<b>15,911</b>	<b>-</b>	<b>-</b>	<b>17,140</b>	<b>-</b>
Trade payables	66	158	-	-	281	58
Financial loans	-	5,779	-	-	13,052	-
<b>Total payable accounts</b>	<b>66</b>	<b>5,937</b>	<b>-</b>	<b>-</b>	<b>13,333</b>	<b>58</b>

The transactions performed with Group companies, associates and related parties in 2023 and 2022 are as follows in thousands of euros:

	2023			2022		
	Directors and executives	Other Group companies	Significant shareholders	Directors and executives	Other Group companies	Significant shareholders
Finance expenses	-	269	-	-	751	-
Services received	58	927	-	-	1,046	-
Other expenses	3,321	-	-	2,661	-	-
<b>Total expenses</b>	<b>3,379</b>	<b>1,196</b>	<b>-</b>	<b>2,661</b>	<b>1,797</b>	<b>-</b>
Finance income	-	41	-	-	9	-
Dividends received	-	1,852	-	-	3,796	-
Other income	-	4,827	-	-	4,400	-
<b>Total revenues</b>	<b>-</b>	<b>6,720</b>	<b>-</b>	<b>-</b>	<b>8,205</b>	<b>-</b>

All related party transactions have taken place under market conditions.

The amount of EUR 3,321 thousand relates to the accrued salaries of Directors for the amount of EUR 1,999 thousand (*see note 17*) and executives for the amount of EUR 1,322 thousand.

#### **Senior management compensation:**

The aggregate compensation of the managers is the accounting reflection of the overall compensation of members of senior management who are not executive directors of PRISA. In 2023 amounts to EUR 1,322 thousand and in 2022 amounted to EUR 1,561 thousand.

#### Regarding 2023:

- i. Is the compensation of the following managers: the CFO Ms Pilar Gil (only for January and February 2023, until her appointment as Prisa's Executive Director), the Secretary to the Board of Directors Mr Pablo Jiménez de Parga, the Head of Corporate and Institutional Relations Mr Jorge Rivera, the Chief Sustainability Officer Ms Rosa Junquera, the Head of Communication, Ms Ana Ortas (since joining this position in April 2023), the former Head of Communication, Ms Cristina Zoilo (until her cessation in April 2023), and the Prisa's Director of Internal Audits Ms Virginia Fernández.

Mr. Jiménez de Parga has entered into a contract with the company for the provision of professional services in which his compensation for those services consists exclusively of a fixed monthly amount.

- ii. The remuneration of the Senior Management includes, inter alia:
  - o Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2023 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2023, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2023 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.
  - o Recalculation of the 2022 bonus paid in 2023.
  - o An expense for the termination of the contractual relationship of Mrs. Zoilo.

#### Regarding 2022:

- i. The aggregate compensation as of December 31, 2022, is the compensation of the following managers: the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga), the CFO Ms Pilar Gil (since joining this position in July 2022), the Head of Corporate and Institutional Relations Mr Jorge Rivera, the Head of Communication, Ms Cristina Zoilo (since joining this position in July 2022), the Chief Sustainability Officer Ms Rosa Junquera (since joining this position in March 2022), and the PRISA's Director of Internal Audits Ms Virginia Fernández.

It is likewise included the remuneration of the former CFO Mr David Mesonero, until his resignation as of June 30, 2022.

- iii. The remuneration of the senior management includes, inter alia:
- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2022 management objectives are achieved.
  - Recalculation of the 2021 bonus paid in 2022.
  - “Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction”: it is registered the reversion of the provision that was registered for this Plan in relation to the former CFO, Mr. Mesonero.
  - “PRISA 2022-2025 Incentive Plan of the former CFO Mr David Mesonero”: PRISA’s former CFO Mr David Mesonero was beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA’s budget (linked to Cash Flow), payable in shares.

Mr. Mesonero had been assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which would serve as a reference to determine the final number of shares to be awarded. The Plan also envisioned an increment if refinancing was achieved in the terms set forth in the Plan. Refinancing was implemented in April 2022, and expense of EUR 193 thousand was recorded.

- “PRISA 2022-2025 Incentive Plan of the CFO Ms Pilar Gil”: It was registered an expense of EUR 103 thousand, based on the level of performance of objectives and considering the listed price of PRISA's shares at the time of measurement.
- In the 2022 an expense amounting to EUR 49 thousand was recorded for the termination of the contractual relationship of Mr. Mesonero.

*Transactions between Group companies, associates and related parties-*

Income from services rendered corresponds basically to central corporate services.

The detail, by company, of the dividend income paid by Group companies in 2023 and 2022 is as follows in thousands of euros:

	2023	2022
Prisa Participadas, S.L.	1,852	3,778
Canal Club, S.A.	-	18
<b>Total</b>	<b>1,852</b>	<b>3,796</b>

In 2023 have been recorded EUR 1,852 thousand as a result of the distribution of the previous year result of Prisa Participadas, S.L. (Sole proprietorship) (EUR 3,778 thousand in 2022).

Finally, the detail of other transactions performed with related parties during the first half of 2023 is as follows, in thousands of euros:

	2023	
	Directors and executives	Significant shareholders
Other transactions	190	74,553

#### *Transactions with directors and executives*

The amount of EUR 190 thousand corresponds to the legal advisory services, linked to the issuance convertible bonds, provided by the law firm ECIJA to PRISA during 2023.

#### *Transactions with significant shareholders*

The amount of EUR 74,553 thousand corresponds to the amount of convertible bonds subscribed.

## **17.- REMUNERATION AND OTHER BENEFITS OF BOARD MEMBERS AND EXECUTIVES**

In 2023 and 2022, the Company registered the following amounts in respect of remuneration to members of the Board of Directors of Promotora de Informaciones, S.A (PRISA) and Senior Management members:

	Thousands of euros	
	2023	2022
Compensation for belonging to the Board and/ or Board Committees	1,164	1,100
Salaries	292	
Variable compensation in cash	267	
Compensation systems based on shares	270	
Severance compensation		
Other	6	
<b>Total remuneration received by board members</b>	<b>1,999</b>	<b>1,100</b>

#### **General considerations:**

The aggregated remuneration of Directors of PRISA reflected in the table above corresponds to the accounting expenses made in the income statement of PRISA and consequently corresponds to the accounting provisions registered in the profit and loss account.

Therefore the compensation included in section 13 of Chapter IV do not match, in some respects, with the remuneration that will be included in the Annual Remuneration Report of the Directors 2023 and in the Annual Report on Corporate Governance 2023, in which it is

followed the criteria required by the "Circular 3/2021 of the CNMV (which amend the models for the annual corporate governance report and annual report on remuneration of directors of listed companies), which is not the accounting provision basis.

### **Remuneration of the Directors:**

#### Regarding the fiscal year 2023:

- i. At the beginning of the COVID-19 crisis the Board of Directors resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances which gave rise to a series of measures in 2020 and 2021. Some of these measures have continue to be applied to non-executive directors of PRISA in the 2022 and 2023 financial years as explained in the Director Remuneration Report sent to the CNMV on March 29, 2023 (registration number: 21602).
- ii. The remuneration of the Executive Director Ms Pilar Gil (CFO of the Company), who joined the Board of Directors in February 2023, has been reflected as follows: the remuneration for the period from March 1 to December 31, 2023, is included in the board members' remuneration, while the remuneration for January and February 2023 is included in the senior management's remuneration, except for its Incentive Plan, which has been fully included in the board members' remuneration.
- iii. Compensation for the executive directors (Mr Francisco Cuadrado as Executive Chairmen of Santillana and Mr. Carlos Nuñez as executive director of PRISA Media) are paid respectively by Santillana and Prisa Media, so they have not been recorded in the table above.
- iv. Within the Compensation for belonging to the Board and/ or Board Committees, are included the following items:
  - o Remuneration for Ms Maria Teresa Ballester, Amber Capital UK LLP, Mr Rosauro Varo and Mr Khalid Thani Abdullah Al Thani up to the time of their cessation as directors in June (for the first two), May and February 2023, respectively.
  - o The remuneration corresponding to the following directors, since joining the Board, on June 27, 2023: Mr. Miguel Barroso Ayats, Mr. Fernando Carrillo Flórez, Ms. Margarita Garijo-Bettencourt and Ms. Isabel Sánchez García.
- v. Within the "Variable remuneration in cash" are included the following items:
  - o The reflection of the amount corresponding to theoretical annual variable compensation of the executive director Ms Pilar Gil (CFO), if 2023 management objectives are achieved.

However, since this compensation is subject to achievement of the management objectives at the end of the year 2023, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued,

which will occur, if at all, once the year is closed and the 2023 annual accounts of the Group are prepared, based on the level of achievement of the objectives established by the Board of Directors. In 2023, an expense of EUR 270 thousand was recorded for this item.

- Regularization of the 2022 bonus of the executive director, Ms Pilar Gil, for a negative amount of EUR 3 thousand.
- vi. In relation to the "compensation systems based on shares " it is noted the following:
- "PRISA CFO's incentive Plan 2022-2025 (*see note 14*): In 2023, an expense of EUR 270 thousand has been recorded for this Plan ((considering the degree of achievement of the objectives for the years 2023 and 2022 and valuing the shares at the Prisa quotation price at the measurement date).
- vii. "Others" includes health and life/accident insurance for the executive director Ms Pilar Gil.
- viii. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2023.

Regarding the fiscal year 2022:

- i. The overall remuneration of the Board of Directors includes that of Mr. Roberto Alcántara Rojas up to the time of his cessation as a director (June 28, 2022) as well as that corresponding to the new director, Mr. Andrés Varela Entrecanales, from the date of his appointment (September 7, 2022).

The Remuneration Policy for directors for the years 2022, 2023 and 2024 was approved by the PRISA Shareholders' Meeting held on June 28, 2022 and it provided for the remuneration corresponding to the members of the Sustainability Commission (set up in February 2022). Therefore, the table above also includes the remuneration corresponding to the members of said Commission from June 28, 2022.

- ii. Compensation for the executive directors (Mr Francisco Cuadrado as Executive Chairmen of Santillana and Mr. Carlos Nuñez as executive director of PRISA Media) are paid respectively by Santillana and Prisa Media, so they have not been recorded in the table above.
- iii. No other credits, advances or loans occurred, nor were pension obligations incurred, in respect of the Board of Directors during 2022.

## **18.- INFORMATION REGARDING CONFLICT OF INTEREST SITUATIONS OF DIRECTORS**

For purposes of article 229 of the Capital Companies Act it is noted that, as at the end of 2023, the Board of Directors had not been advised of direct or indirect conflict situations that

directors or persons related thereto (in accordance with article 231 of the aforesaid Act) might have had with the interests of the Company.

Notwithstanding the foregoing, the Board of Directors has been informed by the Directors of the following activities carried out by them or by certain persons related thereto, in companies engaged in activities of the same or an analogous or complementary kind as the one constituting the purpose of the Company or the companies in its Group:

Director	Activity	Person related to the Director	Activity
Joseph Oughourlian	See note below (*)		
Javier Santiso Guimaras	CEO and General Partner of Mundi Ventures, a Venture Capital firm focused on technology-based companies.  See note below (**)		

(\*) Mr. Joseph Oughourlian controls Amber Capital, its affiliates and subsidiaries (together “Amber Capital”), which act as investment manager, general partners, managing members and managers to funds, accounts, and other investment vehicles (together, the “Amber Funds”) that invest in public and private companies in Europe, North America and Latin America, which includes trading in entities with activities the same, similar or complementary to Prisa. Mr. Oughourlian also act as a managing partner to Amber Capital and as a portfolio manager to various Amber Funds.

(\*\*)Mundi Ventures has investments in 70 technology companies, which are listed on the website [www.mundiventures.com](http://www.mundiventures.com).

The companies in the Prisa Group are not included in this list. As already indicated in the Annual Corporate Governance Report of the Company, as of December 31, 2023, the directors Ms. Pilar Gil, Mr. Francisco Cuadrado, Mr. Carlos Nuñez, Mr. Manuel Polanco Moreno, Mr. Miguel Barroso, Ms. Teresa Quirós and Ms. Maria José Marín Rey Stolle, were members of management bodies of certain companies in the Prisa Group or indirectly participated by Prisa.

## 19.- LITIGATION AND ONGOING CLAIMS

### A) CNMC-DTS

PRISA maintains accounted a provision associated with an unfavorable ruling received by Telefónica and communicated to PRISA by the latter in January 2022, which was appealed by Telefónica, in relation to certain operations of Distribuidora de Televisión Digital, S.A. (“DTS”), a subsidiary that was sold to the aforementioned company in 2015. The agreement for the sale of DTS to Telefónica contemplated the assumption by PRISA of a percentage of the damages arising from these legal proceedings, for which reason the said provision of EUR 3,320 thousand is maintained on December 31, 2023, because is considered probable that an outflow of resources will be required. At the date, the appealation is pending of vote and ruling by the Supreme Court.



## 20.- SUBSEQUENT EVENTS

### **New issuance of subordinated notes**

On January 30, 2024 the Board of Directors of PRISA, within the framework of the analysis of different strategic alternatives in order to continue reducing the financial debt of the PRISA Group and the financial costs associated therewith, has unanimously agreed to carry out in the near future an issuance of subordinated notes mandatorily convertible into newly issued shares of PRISA, with recognition of the preemptive subscription rights of the Company's shareholders, for a nominal amount of approximately EUR 100 million (the "New Issuance"), which will be implemented through a public subscription offer (the "Offer"). The purpose of the Offer will be to obtain funds mainly for, on the one hand, to cancel the Junior tranche of the syndicated financial debt of the PRISA Group which is tied to Euribor+8% and, on the other hand, to foster the growth opportunities of the business units of PRISA Group. In this regard, as of December 31, 2023, the Junior syndicated loan amounts to EUR 86,967 thousand (see note 7.3).

The final terms and conditions of the New Issuance will be fixed at the meeting of the Board of Directors of PRISA that will be held on March 12, 2024, after the authorization of issue of the consolidated annual accounts. Details of the Offer, including its limitations and restrictions, as well as the definitive terms and conditions of the New Issuance will be published prior to the commencement of the Offer, following the publication of the aforementioned PRISA's audited consolidated annual accounts for the year 2023.

Following the communication of the New Issuance, the Board of Directors of PRISA also agreed, at its meeting also held on January 30, 2024, to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 (see note 1b) in accordance with its provisions of terms and conditions. A conversion and early amortization of 20,287 subordinated obligations has been requested, which has entailed the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, has been set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

### **Ruling on the award between Prisa and Cofina**

In September, 2019 the Board of Directors of Prisa agreed to sell to Cofina SGPS, S.A. ("Cofina") its 100% stake in Vertex SGPS, S.A. ("Vertex"), owner of a 94.69% interest in the Portuguese listed company Grupo Media Capital SGPS, S.A. ("Media Capital"). The purchase and sale agreement between both parties included, among other things, the deposit of EUR 10,000 thousand by Cofina in an escrow account as a guarantee for the transaction and the advance payment of the agreed price, which has not been available since then and until December 31, 2023, as indicated in note 8.

On March 11, 2020 Cofina voluntarily waived to continue with the share capital increase approved by Cofina's shareholders on January 29, 2020 to finance part of the purchase price, which implied a breach of the share purchase agreement and its termination. In this regard, on April 15, 2020 the Company filed an arbitration request before the *Centro de Arbitragem*

Comercial da Câmara do Comércio e Indústria Portuguesa (“Arbitral Tribunal”) in accordance with the sale and purchase agreement.

On February 22, 2024 the aforementioned Arbitral Tribunal has unanimously issued the award that declares that Cofina breached its obligations under the share purchase agreement signed between PRISA and Cofina in September 2019, regarding the sale of all the shares from Vertex SGPS, S.A. and that agreement was therefore automatically terminated on March 11, 2020, so PRISA is entitled to receive the down payment in the amount of EUR 10,000 thousand, obliging Cofina to take all necessary actions to make this amount available to the Company. On March 1, 2024 the amount deposited in the escrow account has been transferred to another bank account in the name of the Company, being therefore available.

This will have a positive impact on the Company's 2024 income statement in the amount of EUR 10,000 thousand (derecognising the liability recorded under “*Other financial liabilities*” (see note 8)), reduced by arbitration and similar costs to the extent that following said resolution, and not before, the realisation of the income is virtually certain and is no longer contingent.

This resolution and the availability in favour of PRISA of the amount that was deposited in the escrow account is independent of the Media Capital sale process that was executed after March 11, 2020.

Furthermore, the Arbitration Court has ordered Cofina to pay PRISA the interest accrued from March 11, 2020 until the final date of payment of the amount deposited in the escrow account.

The Arbitral Tribunal dismiss all the remaining claims of the parties.

## **21.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH**

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

DIRECT HOLDINGS

APPENDIX I

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (In thousands of euros)							
			CARRYING AMOUNT	% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
Prisa Activos Educativos, S.A. (Sociedad Unipersonal)	Gran Vía, 32. Madrid	The realization of the activities inherent to the publishing business in its broadest sense and, in particular, editing, marketing and distribution of all kinds of publications and the provision of editorial, education, leisure services and entertainment.	755,949	100.00%	2/91	60	694,295	(1,523)	692,832	(20)
Prisa Media, S.A. (Sociedad Unipersonal)	Gran Vía, 32. Madrid	The allowance, or self-employed, of any kind of services, directly or indirectly, related to broadcasting. Advice and provision of services to media companies in the field of advertising, programming, administration, marketing and technical issues, computer and commercial and any other related activity. Production, operation and management-account or self-employed, by whatever means, of all kinds of programs and radio and audiovisual products.	264,547	100.00%	2/91	15,486	180,298	(5,953)	189,831	(2,237)
Prisa Gestión Financiera, S.L. (Sociedad Unipersonal)	Gran Vía, 32. Madrid	Management and exploitation of information media and social communication whatever their technical support. The action in the capital and monetary market.	98,207	100.00%	2/91	60	96,427	1,720	98,207	2,294
Prisa Participadas, S.L. (Sociedad Unipersonal)	Gran Vía, 32. Madrid	Management and exploitation of audiovisual and printed mass media, participation in companies and businesses, and providing all kinds of services.	91,279	100.00%	2/91	71,362	14,272	5,644	91,278	1,729
Promotora de Actividades América 2010, S.L. (En liquidación)	Gran Vía, 32. Madrid	Production and organization of activities and projects related to the commemoration of the bicentenary of the independence of the American Nations.	-	100.00%	2/91	10	(1,760)	(40)	(1,790)	(1)
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual.	-	1.00%		420	(420)	-	-	-
Vertix, SGPS, S.A.	Rua Mario Castelhana, nº 40, Queluz de Baixo. Portugal	Holding of shares in companies.	85	100.00%		54	250	(219)	85	(44)
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Operation of El País newspaper in Mexico.	16	1.61%		17,042	(16,352)	176	866	419

(\*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

INDIRECT HOLDINGS

APPENDIX II

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (In thousands of euros)										
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT			
<b>EDUCATION</b>													
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala - Guatemala	Publishing	100.00%		612	19	-	432	1,063	574			
Avalia Qualidade Educacional Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		1,426	(974)	-	(41)	411	131			
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	100.00%		186	478	-	-	664	245			
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	100.00%		1,028	4,094	(1,354)	154	3,922	270			
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	100.00%		1,780	899	-	2,354	5,033	8,796			
Ediciones Santillana, S.A. (Uruguay)	Juan Manuel Blanes 1132 Montevideo Uruguay	Publishing	100.00%		165	348	-	155	668	333			
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 02 São Paulo. Brasil	Publishing	100.00%		19	(9)	-	(8)	2	-			
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		17,889	(1,973)	-	8,545	24,461	16,998			
Editora Pitangua Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 01, São Paulo. Brasil	Publishing	100.00%		19	(10)	-	(7)	2	-			
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala - Guatemala	Publishing	100.00%		71	2,095	-	2,217	4,383	3,271			
Editorial Santillana, S.A. (Honduras)	Colonia los Profesionales Boulevard Suyapa, Metropolis Torre 20501, Tegucigalpa Honduras	Publishing	100.00%		20	1,547	-	1,784	3,351	2,591			
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazeue. Santo Domingo. República Dominicana	Publishing	100.00%		118	1,803	-	4,355	6,276	5,975			
Editorial Santillana, S.A. (Venezuela)	Avenida Rómulo Gallegos. Edificio Zulia 1°. Caracas. Venezuela	Publishing	100.00%		457	(12)	-	599	1,044	1,090			
Editorial Santillana, S.A. de C.V. (México)	Avenida Río Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		7,318	2,190	-	(2,779)	6,729	(4,285)			
Editorial Santillana, S.A. de C.V. (El Salvador)	3a. Calle Poniente Y 87 Avenida Norte, No. 31I, colonia Escalon San Salvador	Publishing	100.00%		18	1,908	-	373	2,299	401			
Editorial Santillana, S.A.S (Colombia)	Edificio Punto 99, Carrera 11ª N°98-50 Oficina 501. Bogotá. Colombia	Publishing	100.00%		2,275	1,997	-	2,921	7,193	4,124			
Educa Inventia, S.A. de C.V. (México)	Avenida Río Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		1,852	(1,724)	-	2,258	2,386	4,120			
Educativa Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 - 10 Bogotá, Colombia	Publishing	100.00%		70	850	-	372	1,292	553			
Educativa, S.A. (Chile)	Avenida Andrés Bello 2299 Oficina 1001 Providencia. Santiago Chile	Publishing	100.00%		16,527	(16,637)	-	(108)	(218)	(7)			
Educativa, S.A.C. (Perú)	Avenida Primavera 2160 Santiago de Surco - Lima	Publishing	100.00%		2,218	(1,775)	-	702	1,145	674			
Educativa, S.A.S. (Colombia)	Avenida El Dorado No. 90 - 10 Bogotá, Colombia	Publishing	100.00%		4,543	(409)	-	1,423	5,557	2,355			
Grupo Santillana Educación Global, S.L.U.	Gran Via, 32. Madrid	Publishing	100.00%	2/91	12,018	55,958	-	(11,006)	56,970	(9,597)			
Improve Education Services, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	100.00%		39	10	-	24	73	33			
Improve Learning, S.A.S. (Colombia)	Cr 11 No. 98 50 Of 504, Bogotá	Publishing	100.00%		39	(24)	-	(390)	(375)	(373)			

(\*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

INDIRECT HOLDINGS

APPENDIX II

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (In thousands of euros)							
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT
Kapelusz Editora, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	100.00%		128	554	-	2,314	2,996	6,876
Pleno Internacional, SPA	Avenida Andres Bello N° 2299 Oficina 1001 Providencia - Santiago	Advice and consulting, development and sale of software	70.00%		1	(182)	-	(9)	(190)	4
Programas de Innovación Educativa, S.A de C.V	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		11,240	8,015	-	3,777	23,032	9,785
Richmond Educação, Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		19	(40)	-	533	512	600
Salamandra Editorial, Ltda.	Rua Urbano Santos 755. Sao Paulo. Brasil	Publishing	100.00%		19	(44)	-	135	110	125
Santillana de Ediciones, S.A. (Bolivia)	Av. Pedro Rivera N° 3095. Santa Cruz. Bolivia	Publishing	100.00%		302	1,401	-	1,973	3,676	2,757
Santillana del Pacífico, S.A. de Ediciones.	Avenida Andres Bello 2299 Oficina 1001-1002 Providencia. Santiago Chile	Publishing	100.00%		165	679	-	1,215	2,059	1,565
Santillana Educacao, Ltda. (Brasil)	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	100.00%		36,813	(25,496)	-	(9,245)	2,071	(1,373)
Santillana Educación Chile, S.A.	Avenida Andrés Bello 2299 1001 – 1002 Providencia, Santiago de Chile	Publishing	100.00%		262	4,827	-	2,609	7,698	2,476
Santillana Educación México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	100.00%		(345)	2,653	-	(226)	2,082	(158)
Santillana Educación Pacifico, S.L.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	269	31,656	-	3,957	35,882	3,015
Santillana Latam, S.L.U.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	3	57,071	-	9,999	67,073	9,935
Santillana Sistemas Educativos, S.L.U.	Gran Vía, 32. Madrid	Publishing	100.00%	2/91	220	116,572	-	22,868	139,659	23,316
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	100.00%		465	(529)	-	153	89	141
Santillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arellano. Quito. Ecuador	Publishing	100.00%		978	1,791	-	1,991	4,760	3,084
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	100.00%		162	128	-	426	716	484
Santillana, S.A. (Peru)	Avenida de Primavera 2160 Santiago de Surco -Lima	Publishing	95.00%		1,961	(558)	-	487	1,890	1,647
Sistemas Educativos de Enseñanza, S.A.S.	Calle Robles, piso E4-13. Edificio Proinco Calisto. Quito Distrito Metropolitano.	Publishing	100.00%		5	(14)	-	75	66	97
Soluções Moderna Editora e Serviços Educacionais, Ltda.	Rua Padre Adelino, 758. Sala Avalia, Quarta Parada, - Sao Paulo. Brasil	Publishing	100.00%		2,885	15,407	-	16,576	34,868	20,726

(\*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (in thousand of euros)								
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT		
<b>MEDIA</b>											
Lacoprodutora, S.L.	Cardenal Cisneros, 74. Madrid	Production of feature films, short films, series, miniseries and television movies, as well as any other type of audiovisual works	70.60%		8	(499)	(86)	(577)	135		
Mobvious Corp.	7742 N. Kendall Drive, 101 Miami Florida 33156-8550. EE.UU	Marketer's advertising in digital media.	60.00%		63	(784)	(5)	(726)	(5)		
Podium Podcast, S.L.U.	Gran Vía, 32. Madrid	Provision of music services	100.00%	2/91	100	(50)	(357)	(307)	(456)		
Prisa Media México, S.A. de C.V.	Avenida Paseo de la Reforma 231. Piso 6 Colonia Cuauhtemoc. Ciudad de México 06500	Marketer's advertising in digital media.	100.00%		50	(81,371)	(12,453)	(93,774)	(19,277)		
Prisa Media USA, Inc.	7742 N. Kendall Drive 101. Miami Florida. 33156-8550. EE.UU.	Marketer of advertising in media.	100.00%		9,379	(10,986)	2,320	713	2,444		
Por Hache o por B la Serie, S.L.	Avenida Diagonal, 177 - 183, planta 12, 08018 Barcelona	Audiovisual production of a television series.	17.65%		3	341	(9)	335	1,179		
Wemass Media Audience Safe Solutions, S.L.	Calle Juan Ignacio Luca de Tena, n.º 7.	Hiring advertising in the media. Design, organization, management and marketing of all kinds of cultural, sports, promotional and leisure activities and events.	33.00%		2,253	(1,861)	202	594	233		

(\*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91



## INDIRECT HOLDINGS

## APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (in thousands of euros)					EBIT
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	
<b>INTERNATIONAL RADIO</b>								
Blaya y Vega, S.A.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	100.00%	1,489	17,152	203	18,844	(134)
Caracol Estéreo, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial radio broadcasting services	77.04%	3	1,585	(74)	1,514	(56)
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial radio broadcasting services	77.05%	11	18,501	418	18,930	1,673
Prisa Media Colombia, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Production and organization of shows and events	100.00%	903	1,503	212	2,618	348
Prisa Media Chile, S.A.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Production and sale of advertising, promotions and events	100.00%	13,391	27,923	2,098	43,411	1,893
Compañía de Comunicaciones de Colombia, S.A.S.	Calle 67 N° 7-37 Piso 7 Bogotá, Colombia	Commercial radio broadcasting services	77.05%	25	990	268	1,283	283
Compañía de Radios, S.A.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	99.90%	849	12,984	863	14,696	908
Consorcio Radial de Panamá, S.A.	Urbanización Obarrio, Calle 54 Edificio Caracol, Panamá	Consulting services and marketing of products and services	100.00%	8	(1)	-	7	-
Corporación Argentina de Radiodifusión, S.A.	Rivadavia 835, Ciudad de Buenos Aires, Argentina	Operation of radio broadcasting stations	100.00%	1,602	(1,413)	76	265	(89)
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	76.80%	-	635	62	697	96
Emisora Mil Veinte, S.A.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	75.72%	-	128	7	135	11
Fast Net Comunicaciones, S.A.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	100.00%	1,371	13,805	1,268	16,444	1,430
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Provision of services to radio broadcasting companies	100.00%	4	(7,057)	(532)	(7,585)	(173)
Grupo Latino de Radiodifusión Chile, SpA (*)	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	100.00%	39,261	9,166	(272)	48,155	4,392
Iberoamerican Radio Holdings Chile, S.A.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	100.00%	2,737	(11,089)	(690)	(9,042)	(601)
Iberoamericana de Noticias Ltda.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of media and communication services	100.00%	2,429	(2,437)	24	16	6
La Voz de Colombia, S.A.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	75.64%	1	293	2	296	4
Multimedios GLP Chile SPA	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of media and communication services	100.00%	10,613	13,292	534	24,439	699
Promotora de Publicidad Radial, S.A.S.	Calle 67, N° 7-37, Piso 7, Bogotá, Colombia	Commercial radio broadcasting services	77.04%	1	598	15	614	24
Radio Reloj, S.A.S.	CL 57 No 17 - 48 Bogotá, Colombia	Operation of the business of broadcasting and advertising	77.05%	120	(325)	4	(201)	4
Sociedad Radiodifusora del Norte, SpA.	Eliodoro Yáñez, N° 1783, Comuna Providencia Santiago, Chile	Operation of radio broadcasting stations	100.00%	199	5,612	(4)	5,807	(21)
Societat de Comunicació i Publicitat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalder, Engordany, Andorra	Operation of radio broadcasting stations	99.33%	30	(1,311)	(2)	(1,283)	(2)

(\*) Consolidated Data



## INDIRECT HOLDINGS

## APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2022 (In thousands of euros)					EBIT
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	1,328	1,792	3,772	6,892	7,265
Cadena Radiópolis, S.A. de C.V.	Calzada de Tlalpan número 3000, Colonia Espartaco, Delegación Coyoacán, Código Postal 04870, Ciudad de México.	Providing all kinds of public telecommunications and broadcasting services	50.00%	6,415	(294)	(415)	5,706	(590)
Caja Radiópolis, S.C	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	50.00%	3	(2)	(1)	-	(1)
Fondo Radiópolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	50.00%	3	(3)	(1)	(1)	(1)
Promotora Radial del Llano, LTDA	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	38.52%	1	64	(3)	62	2
Radio Comerciales, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Exploitation of broadcasting stations	50.00%	1,180	286	12	1,478	58
Radio Melodía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	50.00%	667	102	(6)	763	30
Radio Tapatía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	50.00%	812	78	50	940	110
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. México	Operation of radio broadcasting stations	50.00%	441	(158)	2	285	(173)
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	16	546	33	595	393
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	3	176	(28)	151	(39)
Sistema Radiópolis, S.A. de C.V. (*)	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	50.00%	9,393	20,192	6,773	36,358	10,412
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	33.00%	249	(17)	(11)	221	(11)
Xezz, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. México	Operation of radio broadcasting stations	50.00%	99	37	20	156	36

(\*) Consolidated Data

INDIRECT HOLDINGS

APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (In thousands of euros)									
			% OF OWNERSHIP	TAX GROUP (*)	SHARE CAPITAL	RESERVES AND OTHERS	INTERIM DIVIDEND	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT		
<b>PRESS</b>												
As Chile SPA	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication and operation of As newspaper in Chile.	75.00%		1,979	(1,872)	-	(73)	34	(72)		
Diario AS Colombia, SAS	Cl 98, nº 1871 OF-401. Bogotá D.C.	Publication and operation of As newspaper in Colombia.	75.00%		942	(668)	-	(14)	260	(27)		
Diario As USA, Inc.	2100 Coral Way Suite 603. 33145 Miami, Florida	Publication and operation of As newspaper in USA.	75.00%		0	(740)	-	1,079	339	1,630		
Diario As, S.L.	Valentín Beato, 44. Madrid	Publication and operation of As newspaper.	75.00%	2/91	1,400	20,941	-	(150)	22,191	(3,914)		
Diario Cinco Días, S.A	Miguel Yuste, 42. Madrid	Publication and operation of Cinco Días newspaper.	100.00%	2/91	60	118	-	353	531	402		
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina.	100.00%		31	(29)	-	16	18	7		
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Operation of El País newspaper in México.	98.39%		17,042	(16,352)	-	176	866	419		
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper.	100.00%	2/91	4,200	680	-	(1,757)	3,123	(872)		
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper.	100.00%	2/91	3,306	961	-	(4,258)	9	(5,107)		
Espacio Digital Editorial, S.L.	Gran Vía, 32. Madrid	Edition and exploitation of Huffinton Post digital for Spain.	100.00%	2/91	8,501	5,374	-	2,289	16,164	2,192		
Factoría Prisa Noticias, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media.	100.00%	2/91	1,726	1,047	-	1,223	3,996	1,374		
Noticias AS México S.A. de C.V.	Río Lerma 196 BIS TORRE B 503, Ciudad de México DF	Publication and operation of As newspaper in México.	75.00%		1,394	(1,071)	-	351	674	732		
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	Juan Ignacio Luca de Tena, 7. Madrid	Publication and operation of newspapers, magazines in digital format.	50.00%		53	10	(300)	522	285	695		
Le Monde Libre Societé Comandité Simple	17, Place de la Madeleine. Paris	Holding of shares in publishing companies.	20.00%		38	(28,058)	-	(8,607)	(36,627)	(1,365)		

(\*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

INDIRECT HOLDINGS

APPENDIX II

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12-31-2023 (in thousands of euros)						
			% OF OWNERSHIP	SHARE CAPITAL	RESERVES AND OTHERS	PROFIT (LOSS)	SHAREHOLDERS' EQUITY	EBIT	
<b>OTHERS</b>									
Productora Extremeña de Televisión, S.A. (En liquidación)	Gran Vía, 32. Madrid	Local television services	70.00%	1,202	(407)	-	795	-	-
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9, Col. Juárez. 06600. México. D.F. México	Development, coordination and management of projects of all kinds, national and international, related to the commemoration of the bicentenary of the independence of the American Nations	100.00%	3	(571)	-	(568)	-	-
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23. Bogotá. Colombia	Production and distribution of audiovisual	99.00%	420	(420)	-	-	-	-

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

Individual Directors' Report for 2023

**PROMOTORA DE INFORMACIONES, S.A. (PRISA)**DIRECTOR'S REPORT FOR 2023**1. BUSINESS PERFORMANCE****1.1. Analysis of the evolution and result of business**

Prisa's results are directly related to the performance of the Group's various business units. Its revenue arises mainly from the dividends it receives from its subsidiaries and its expenses relate to staff costs and services received. The variations in the equity of its subsidiaries also give rise to increases and decreases in the value of its investment portfolio.

The Group's businesses have continued to move forward with its strategic roadmap presented at Capital Markets Day in March 2022, focusing on digital transformation, the acceleration of subscription models and the development of new digital formats, within a framework of continuous efficiency improvement plans.

By the end of 2023, the Education business reached 2.8 million subscriptions in its education systems. In the Media business, there was an average of 209 million unique browsers per month, along with a monthly average of 51 million audio content downloads and 88 million total listening hours. El País exceeded 350,000 subscribers in total.

PRISA's social mission has remained a cornerstone of its roadmap, as a business group focused on two essential sectors: Education and Media. Reliable and accurate information and access to better education play a more significant role than ever before. The Group always gives top priority to the continuity, with the best possible performance, of its activities, reaffirming its social commitment. In support of Spanish and Latin American society, PRISA remains committed to guaranteeing access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In 2023, the economic environment has remained uncertain, adverse and complex: both interest rates and inflation moderated, although levels remained high, worsening the global growth outlook. Against this backdrop, the summary of the Group's results, compared to the 2022 results, is as follows:

- Operating income amounted to EUR 947.4 million (+11.4% vs 2022; +11.4% in local currency). Santillana's business has shown a significant improvement, thanks to the increase in the private business driven by the expansion of subscription models based on educational systems and improved sales of traditional educational material, including the completion of an extraordinary institutional sale in Argentina (for primary and secondary school). Santillana's public business has also grown compared to 2022 as higher sales in Brazil and the Dominican Republic offset lower public sales in Mexico (Conaliteg). The Media business has shown an improvement in advertising revenues in radio and press, both digital and offline, and growth in El País' digital pay-per-subscription model and Lacoproductora's audiovisual productions.

- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 766.3 million (+7.5% vs 2022; +7.9% in local currency). The growth in expenses is primarily due to higher variable expenses (in line with the increase in income), the impact of inflation and pressure on costs due to increases in CPIs, regulatory frameworks and agreement negotiations that have had an impact on personnel expenses. The efficiency measures that the Group continues to implement have partly mitigated the increase in expenses and have allowed margins to rise.
- EBITDA increased significantly compared to 2022, reaching EUR 181.1 million (+31.6% vs 2022; +29.6% in local currency). Excluding severance payments, EBITDA grew by 29.0% year-on-year (+27.2% in local currency). The Group uses EBITDA as a benchmark, among others, to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this "alternative performance measure" is important for the Group and is used by other companies in the sector. EBITDA is defined as profit from operations plus assets depreciation and amortization charge, impairment of goodwill and impairment of assets.

The following tables detail the reconciliation between EBITDA and the Group's result from operations for each of the segments of 2023 and 2022 (in millions of euros):

	12.31.2023			
	Education	Media	Others	PRISA Group
<b>PROFIT FROM OPERATIONS</b>	<b>88.1</b>	<b>25.5</b>	<b>(4.8)</b>	<b>108.8</b>
Depreciations and amortisation charge	44.8	24.9	0.6	70.3
Impairment of goodwill	0.0	0.2	0.0	0.2
Impairment of assets	1.9	(0.1)	0.0	1.8
<b>EBITDA</b>	<b>134.8</b>	<b>50.5</b>	<b>(4.2)</b>	<b>181.1</b>

	12.31.2022			
	Education	Media	Others	PRISA Group
<b>PROFIT FROM OPERATIONS</b>	<b>51.1</b>	<b>20.3</b>	<b>(8.0)</b>	<b>63.4</b>
Depreciations and amortisation charge	43.4	26.1	1.5	71.0
Impairment of goodwill	0.0	0.0	0.0	0.0
Impairment of assets	1.9	1.4	(0.1)	3.2
<b>EBITDA</b>	<b>96.4</b>	<b>47.8</b>	<b>(6.6)</b>	<b>137.6</b>

Exchange rates have had a minor impact on the progress of the Group's results in 2023, mainly because the appreciation of the Mexican peso and the Brazilian real has been offset by the depreciation of the Colombian peso and the accounting effect of hyperinflation in Argentina: EUR -0.1 million in income and EUR +2.7 million in EBITDA. In this sense, Prisa defines the impact of exchange rates as the difference between the financial figure converted at the exchange rate of the current year and the same financial figure converted at the exchange rate of the previous year. The Group monitors both operating income and profit from operations

excluding the aforementioned exchange rate effect for comparability purposes and to measure management by isolating the effect of currency fluctuations in the various countries. This "alternative performance measure" is therefore important in order to be able to measure and compare the Group's performance in isolation of the exchange rate effect, which distorts comparability between years.

The following table shows the exchange rate effect on operating income and EBITDA for the Education and Media business and for the PRISA Group in 2023 and 2022 (in millions of euros):

	2023	Exchange rate effect	2023 excluding exchange rate effect	2022	Var. excluding Exchange rate effect	Var. (%) excluding exchange rate effect
<b>Education</b>						
Operating income	515.2	0.8	514.4	447.4	67.0	15.0
EBITDA	134.8	1.4	133.4	96.4	37.0	38.4
<b>Media</b>						
Operating income	431.6	(0.9)	432.5	403.8	28.7	7.1
EBITDA	50.5	1.3	49.2	47.8	1.4	2.9
<b>PRISA Group</b>						
<b>Operating income</b>	<b>947.4</b>	<b>(0.1)</b>	<b>947.5</b>	<b>850.2</b>	<b>97.3</b>	<b>11.4</b>
<b>EBITDA</b>	<b>181.1</b>	<b>2.7</b>	<b>178.4</b>	<b>137.6</b>	<b>40.8</b>	<b>29.6</b>

The Education business has continued to develop with a focus on market transformation and the expansion of subscription models based on education systems. In 2023, the number of subscriptions has grown by +7% to 2,809 thousand subscriptions and the private sale of systems has also grown compared to 2022 in the same line (+9.8%). Private educational sales have also grown compared to 2022 (+4.3%), mainly due to the extraordinary institutional sale in Argentina. Public sales have increased significantly compared to 2022 (+34.9%) thanks mainly to growth in Brazil. Furthermore, the improvement in the Dominican Republic is of particular relevance. These improvements offset the lower public sales in Mexico (Conaliteg).

- Operating revenues reached EUR 515.2 million in 2023, with an increase of +15.2% compared to 2022 (+15.0% in local currency terms). This growth is due to both the growth of private sales (+7.7%, due to the expansion of education systems and the extraordinary institutional sale in Argentina (for primary and secondary schools)) and the growth of public sales (+34.9% thanks to the fact that the growth in Brazil and the Dominican Republic offset the lower public sales in Mexico (Conaliteg)).
- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 380.4 million in 2023, up from 2022 (+8.4% in euros, and +8.6% in local currency). The increase is mainly due to the increase in variable expenses (in line with the increase in income), in addition to the impact of inflation and the appreciation of Latin American currencies. The implementation of efficiency measures partly offsets the increase in costs.
- EBITDA amounted to EUR 134.8 million in 2023, up +39.9% compared to 2022 (+38.4% in local currency).

- The impact of exchange rates in 2023 compared to 2022 is not very significant: EUR +0.8 million in operating income and EUR +1.4 million in EBITDA.

Media business continues to focus on brand leadership in the Spanish-speaking market, on digital transformation and growth of subscribers in El País. 2023 saw a monthly average of 51 million audio downloads (an increase of 13%), while hours of streaming listening (TLH) stood at 88 million (up by 10%). In addition, Prisa Media reached a monthly average of 209 million unique browsers. Furthermore, the pay-per-subscription business of El País reached 315,000 digital-only subscribers at the end of December 2023. In terms of revenues, the 2023 financial year has shown growth, driven mainly by advertising growth (print and radio in Spain and Chile) and the development of the El País subscription model. Notice should also be made of the diversification of digital income (agreements with platforms for innovative projects) and the increase in Lacoproductora's income, which generates audiovisual production income and drives the growth of other income (in the scope of consolidation throughout 2023, compared to 2022 when it was incorporated in the second quarter).

- Operating revenue stood at EUR 431.6 million in 2023, up by 6.9%, mainly due to increase in advertising revenue, which rose by 5%. Growth is also explained by El País' digital subscription model, which has grown +28% in revenue, by digital revenue and the incorporation of Lacoproductora's activity throughout 2023 (compared to 2022 when it was incorporated into the consolidation scope in the second trimester).
- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these stood at EUR 381.0 million in 2023, up by 7.0% against 2022 (+7.1% disregarding severance payments). Efficiency measures partially offset the increase in variable expenses (in line with the increase in income), the impact of inflation and pressure on costs due to increases in CPIs, regulatory frameworks and agreement negotiations that have had an impact on personnel expenses.
- EBITDA was EUR 50.5 million in 2023 compared to EUR 47.8 million in 2022, an improvement of 5.7%, thanks to the recovery of the advertising market. Excluding severance payments, EBITDA reached EUR 54.7 million, an increase of +5.1% compared to 2022.

The Group's net bank debt decreased by EUR 89.4 million during 2023 and amounted to EUR 767.0 million at December 31, 2023, due to the cash inflow derived from the issuance of bonds mandatorily convertible (net of transaction costs) amounting to EUR 127.5 million, offset by the Group's cash needs during the year, which includes the last payment of the acquisition, in April 2022, of 20% stake of Prisa Radio, for EUR 15 million. This debt indicator is an "alternative measure of performance" and includes non-current and current bank borrowings (excluding present value in financial instruments/loan arrangements costs) and the convertible notes coupon liability diminished by current financial assets, cash and cash equivalents and is important for the analysis of the Group's financial position.



The following table shows the composition of this indicator at December 31, 2023 and at December 31, 2022:

	Million of euros	
	12/31/23	12/31/22
Non-current bank borrowings	885.4	980.8
Current bank borrowings	37.6	30.8
Present value/refinancing costs (*)	23.8	35.8
Convertible notes coupon liability	1.0	-
Current financial assets	(4.2)	(1.5)
Cash and cash equivalents	(176.6)	(189.5)
<b>NET BANK DEBT</b>	<b>767.0</b>	<b>856.4</b>

The Group has taken steps to maximize its liquidity, with an available cash at the end of December 31, 2023 amounting to EUR 166.6 million and with available and undrawn credit facilities and other lines of credit for an amount of EUR 19.1 million.

## 2. FORESEEABLE DEVELOPMENT: BUSINESS DEVELOPMENT PROSPECTS: KEY FACTORS AND TRENDS

The Group's outlook is to continue on its strategic roadmap, with a priority focus on generating added value through digital transformation and the commitment to subscription models, in order to maximize the results of its businesses in the future, strengthen the balance sheet structure, generate cash flow and reduce debt.

Recent years have been marked by a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term.

According to the most recent edition of the World Bank's "Global Economic Prospects" report (January 2024), global growth is slowing down due to the tight monetary policy environment and financial conditions, as well as a low level of global trade and investment. Risks to the baseline macroeconomic projections include an escalation of the recent conflict in the Middle East, financial tensions, further persistence of inflation, fragmentation of global trade and climate-related disasters. Global growth is expected to slow from 2.6% in 2023 to 2.4% in 2024. In all emerging markets and developing economies, appropriate macroeconomic and structural policies, and well-functioning institutions, will play a key role in helping to boost investment and long-term prospects.

In general, in the Group, both the Education and Media businesses are influenced by the macroeconomic environment, and variables such as GDP, inflation, exchange rate developments and interest rates affect the performance of both businesses in terms of revenues, expenses and cash generation. However, the Education business is more resilient and less linked to the economic cycle of the countries in which it operates than the Media business.

In addition to macroeconomic developments, the Media business is particularly affected by the performance of the advertising market in Spain and Latin America, which in turn is impacted by how the economy is progressing in these areas.

On the macroeconomic front, according to IMF projections for 2024 (October 2023 data), the GDP growth rate of advanced economies will be +1.4% (up from 1.5% in 2023). For Spain, the IMF expects growth of +1.7% (2.5% in 2023); although the Bank of Spain, in its latest forecasts released in December, has revised down the growth forecast for 2024 to 1.6%. Meanwhile, the main countries in which PRISA is present in Latin America will experience the following growth according to IMF projections: Brazil will grow by +1.5% (+3.1% in 2023), Mexico by +2.1% (+3.2% in 2023), Colombia by +2.0% (+1.4% in 2023), Peru by +2.7% (+1.1% in 2023), Argentina by +2.8% (-2.5% in 2023) and Chile by +1.6% (-0.5% in 2023). For Latin America as a whole, growth is estimated at +2.3% in 2024, in line with 2023.

In line with the development of economic indicators in Latin America, the Group's results are also affected by exchange rate volatility. In 2023, however, the exchange rate effect has not had a relevant impact since the appreciation of the Mexican peso and the Brazilian real has been offset by the depreciation of the Colombian peso and the accounting effect of hyperinflation in Argentina.

In this environment, as it has been doing in recent decades, the Group will continue to work to adapt to the new reality of its business by defining and implementing the initiatives that may be necessary: cost containment (allowing for the absorption of inflation increases), strict control of costs and investments, development of new sources of income, transformation and flexibility of business models, etc.

Another factor that affects the future development of PRISA's business is the advertising cycle. 34.3% of the Group's operating income in 2023 will come from advertising. The Media businesses, which are largely dependent on advertising revenues, have a high percentage of fixed costs, so that significant variations in advertising revenues have a significant impact on results, leading to an improvement or worsening of margins and the Group's cash position.

In this regard, after the drastic drop in advertising investment in 2020 due to the COVID-19 pandemic, the advertising market has partly recovered thanks to growth in 2021 and 2022 (although 2022 was somewhat affected by the macroeconomic consequences of the war in Ukraine). In 2023, the advertising market in general has continued to grow year-on-year. The Group's advertising grew by +5.0% in 2023 compared to the previous year.

According to the latest i2P report for December 2023, the total advertising market in Spain has grown by +3.3% in 2023, and the market in which PRISA's media are present has grown by +0.9%. The Group's advertising revenue in Spain has grown by +3.7% (gross advertising) in 2023 compared to 2022, which represents an increase in market share. By 2024, i2P (December 2023 report) expects the market to grow by +4.9%, while the market in which PRISA media are present is expected to grow by +3.3%. PRISA Media expects to improve its share of the advertising market in Spain in 2024 in the markets where it is present thanks to the leadership of its brands.

In Latin America, the advertising market also recovered throughout 2021 and 2022 from the impact of the pandemic. In 2023, the advertising market has performed as follows: -0.1% in Colombia (according to Asomedios, December 2023) and +2% in Chile (according to the Asociación de Agencias de Medios, December 2023). Meanwhile, PRISA has grown in 2023 by 0.4% in Colombia above the market, while in Chile it has grown by +12% compared to 2022,

increasing its market share (gross advertising data, in local currency). By 2024, according to reports from Asomédios in Colombia and the Asociación de Agencias de Medios in Chile, advertising is expected to grow by +6% and decrease by -2% respectively. PRISA Media plans to improve its advertising market share in both countries.

According to the strategic roadmap on which the Group has been working, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the consumer of content and new digital formats. It is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of the digital subscription payment model of El País, which has reached 315,000 digital-only subscribers, or the development of the value proposition around the concepts of "audio" and "video", highlight the importance of this trend.

In addition, PRISA has the Education business, not so dependent on the economic cycle, which in 2023 represented 54.4% of the Group's operating income. Although the Education business is generally more resilient to the economic cycle, the COVID-19 pandemic had a negative impact, especially on the trends of sales campaigns of traditional educational material. However, the pandemic was also an opportunity to accelerate the digital transformation towards subscription models through the increased use of online platforms for education, which has been driven precisely during this time when a face-to-face delivery model was not possible.

In 2022, the reopening of schools allowed for a more efficient commercial campaign with increasing demand for digital models, which has led to a recovery in Santillana's revenues. Subscription models (educational systems), based on a hybrid teaching methodology (online and offline, classroom and distance, paper and digital, school and home, etc.), have continued to grow in 2023, confirming the importance of the transformation strategy at Santillana. However, the pace of growth in subscription models has moderated and the trend expected in the future is that the transformation of schools from traditional teaching models to digital models will continue, but in a more moderate, albeit gradual fashion.

In any of the development scenarios, the strategic roadmap for the Education business will focus on maintaining its leadership position and maximising growth leveraged on subscription models, with a commitment to these increasingly hybrid formats and methodologies, with a growing weight of the digital component.

An important part of the Group's strategy and its business is based on digital development: from continuously developing the value proposition (increasingly digital) to business models more focused on monetisation in the digital sphere (subscription models and new formats), to, for example, the implementation of technological platforms adapted to the reality of the businesses, the development of management and use of user data, or the promotion of opportunities derived from advances around artificial intelligence.

The Group's digital audiences continue to show relevant figures. In 2023, PRISA Media reached a monthly average of 211 million unique browsers, 10 million registered users (+34% compared to 2022) and 51 million audio downloads (+13% compared to 2022), in addition to

the 315 thousand digital subscribers to El País. Meanwhile, Santillana's digital educational ecosystem continues to expand by evolving and enriching its offer and adapting to the return of face-to-face teaching in the classroom, as well as maintaining levels of use of the educational platform that are higher than before the pandemic. The pandemic has contributed to increased use of technologies for information consumption, education or entertainment, leading to the growth of the Group's digital audiences.

The Group's strategy for the coming years will also continue to be committed to digital development in two of its business units, Media and Education.

### 3. MAIN RISKS ASSOCIATED TO THE BUSINESS

As head of the Group, the risks to which Prisa is exposed are directly related to those of its subsidiaries.

The businesses of Group subsidiaries and, therefore, their operation and earnings are subject to risks that may be grouped into the following categories:

- Risks relating to the financial and equity situation.
- Strategic and operational risks.
- ESG risks.
- Criminal compliance risks.
- Reputational risks.

In the Corporate Governance Report (*see Section E of that report*) are detailed specific actions and bodies used to identify, value, and manage these risks.

#### 3.1. Risks relating to the financial and equity situation.

1. *Financing risk due to the high level of debt of PRISA, that significantly limits their financial capacity.*

The Company's financial obligations are set out in note 7.3 "Financial liabilities" in the attached notes of the year 2023.

As of December 31, 2023, the Group's net bank debt level stood at EUR 767.0 million, which could pose a number of risks to the Group as:

- It increases the Group's vulnerability to the macroeconomic environment and market developments, especially in those businesses with greater exposure to economic cycles;
- It requires allocating a significant portion of cash flows from operations to meet interest payment and debt principal repayment obligations, reducing the ability to allocate these flows to meet working capital needs, as well as to finance investments and future operations;
- It limits the Group's financial, strategic and operational flexibility, as well as the ability to adapt to changes in markets; and

- It places the Group at a disadvantage relative to less indebted competitors.

On April 19, 2022, the 2022 Refinancing came into force, once the agreements reached with all of its creditors were made public. Note 7.3 "*Financial liabilities*" of PRISA's notes describes the main characteristics of the aforementioned Refinancing, as well as the partial and early amortization of the debt of the Junior tranche carried out in February 2023 for an amount of 110 million euros, with the funds obtained from the issuance of the bond that is mandatory convertible into shares, which reduces the Group's leverage level.

The credit rating assigned to the Company may be reviewed, suspended or removed at any time by one or more of the credit rating agencies. A downgrade of the Company's credit rating could adversely affect the terms of any future refinancing of the Group's financial debt, as well as limit the Group's access to financial markets, investors and certain lenders.

2. *Risk of an early maturity of the financial debt if certain contractual clauses are breached.*

The agreements associated with the Refinancing of the PRISA Group stipulate requirements and commitments to comply with certain leverage and financial ratios (covenants). The financial contracts set out compliance with certain financial ratios for the PRISA Group, which began to be applied on June 30, 2022 and failure to comply with them would result in early maturity of the bank debt.

The determination of these covenants was made in consideration of market conditions and in accordance with PRISA's business expectations at the time of negotiation of the Refinancing. However, these conditions and expectations may be modified and affected by the complexity of the markets due to, among other issues, the globalisation of the markets and the global impact that recent events have on macroeconomic variables.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, and includes provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the aforementioned contracts.

3. *Exposure to variable interest risk.*

The Group is exposed to interest rate fluctuations insofar as a significant portion of the cost of the Group's borrowings is linked to floating interest rates (mainly Euribor) that are periodically updated, depending on the interest settlement period chosen by the Group for each refinancing contract.

At December 31, 2023 96.32% of the Group's bank borrowings were tied to floating interest rates.

In this respect, although the Group continues to evaluate the contracting of derivative products to limit the impact of potential rises in the Euribor, further increases in interest rates would lead to higher financial expenses and interest payments, which would have a negative impact on the Group's cash flow. In this sense, at the end 2022 the Company had contracted an interest rate hedge arranged of a nominal amount of EUR 150 million which caps the three-month Euribor at 2.25%. In addition, in January 2023 a new interest rate hedge was contracted,

in this case, on a nominal of EUR 150 million and a cap of 2.5% (three-month Euribor) and in March 2023, another one, on a nominal amount of EUR 100 million limiting three months Euribor increases above 3% and up to a maximum of 5%. If Euribor was below said percentages, such coverages would not be applicable.

4. *Risk of Company equity imbalance.*

The Company, in its capacity as parent company of the Group carries out its activities through a group of subsidiaries, joint ventures and associated companies, so that, at present, a substantial part of its income comes from the distribution of dividends from its subsidiaries and their consideration as such for accounting purposes. During the 2023 financial year 27.7% of the Company's total income in that period came from the distribution of dividends from its subsidiaries.

An adverse development of the PRISA Group's business for any reason could have a negative impact on the dividend income received by the Company. In addition, a significant part of the Group's companies is located in Latin America and therefore the aforementioned dividends are subject, inter alia, to exchange rate risk and devaluation of the foreign currencies of the countries in which the Group operates. Furthermore, the Refinancing has entailed a reorganisation of the debt in terms of borrowers, which has meant that the entire financial expense associated with the refinanced debt is now recorded in the Company. In this respect, the interest rate of this debt is benchmarked to a variable interest rate, Euribor. There is also a risk that the Company, as the parent company of a group of subsidiaries, may record possible impairment losses on the carrying amount of its investments when the value in use of the investments is lower than their carrying amount.

In this regard, like what happened in 2023 and 2022, in which PRISA had losses (as a separate Company) amounting to 85,725 and EUR 90,956 thousand respectively, in the event that the Company does not receive sufficient dividends from its subsidiaries to offset, mainly, the cost of debt financing, possible impairment of assets and financial investments, possible contingencies and other operating costs of the Company, or in the event that the dividends received are not considered income because they do not comply with current accounting regulations, PRISA would incur losses, eroding its equity at the individual level.

Therefore, in the event that the Company incurs additional losses in the future or that such losses accumulate in subsequent years and the net assets are reduced to less than 2/3 of the share capital (set at EUR 100,827 thousand at December 31, 2023), a new situation of equity imbalance could arise, in accordance with the provisions of the Capital Companies Act. On December 31, 2023 the net equity of PRISA (as a sole company) amounts to EUR 323,337 thousand.

Notwithstanding the foregoing, and although this does not affect a possible equity imbalance according to the aforementioned Capital Companies Act (measured based on the net equity of individual companies), Prisa has incurred losses at the consolidated level in past years and periods, mainly due to the accounting impact of certain corporate transactions and extraordinary events and conversion differences, which has caused the consolidated Group to record a negative net equity of EUR 428,150 thousand as at December 31, 2023.

5. *Risk of exchange rates.*

The Group is exposed to fluctuations in exchange rates mainly due to financial investments made in stakes in Latin American companies, as well as revenue and profits from said investments. In 2023, 63.1% of the Group's operating revenues came from countries with a functional currency other than the euro.

A devaluation of the foreign currencies of the countries in which the Group operates against the euro would have an adverse impact on the repatriation of the euro cash of the Group's foreign companies, e.g. via dividends. In this respect, an unfavorable development of the exchange rate effect as a result of an increase in exchange rates against the currencies of the main countries in which the Group has a presence would lead to a negative impact on the consolidated income statement and the Group's cash flow.

At present, the Group does not have any significant exchange rate derivatives. Without prejudice to the foregoing, the Group follows the practice of arranging, on the basis of its forecasts and budgets which are analysed on a monthly basis, hedging contracts for exchange rate risk (exchange rate insurance, forwards, structured products and currency options mainly) depending on the risks and opportunities identified in this respect in the markets in order to reduce the volatility of the operations and results of the Group's companies operating abroad.

Furthermore, possible adverse developments in the economies of the Latin American countries in which the Group is present could lead to hyperinflationary situations, with the consequent negative impact on exchange rates.

6. *Credit and liquidity risk due to, in other aspects, to the high fixed costs in the advertising sector and the seasonality in the businesses of the Group.*

The adverse macroeconomic situation in recent years, mainly due to extraordinary events such as the COVID-19 health crisis in 2020 and 2021 or the war in Ukraine and the geopolitical tensions have had a negative impact on the Group's cash generation capacity, with an increase in liquidity tensions in the economy, as well as a contraction of the credit market.

In this respect, advertising-dependent businesses, in addition to being highly dependent on the economic cycle, rely heavily on advertising have a high percentage of fixed costs, and any decline in advertising revenues has major implications for margins and the cash position, making it difficult to implement additional measures to improve Group operating efficiency. On December 31, 2023 advertising revenues represent 34.3% of the Group's operating revenues.

As for the seasonality of business, it is worth noting that, in Media, advertising is mainly concentrated in the last quarter of the year, with the first quarter being a period with lower advertising revenues. In the case of the Education area, the last quarter is also the one with the highest volume of income, coinciding with the beginning of the Southern Campaigns and taking into account that the largest part of Brazil's public sale is invoiced in the referred quarter. However, the second quarter of the year is usually of little relative weight in the total for the year.

Although, on an annual basis, the seasonality of the Group's cash flows is not significant, as the flows from the various business units are offset, largely mitigating the effect of seasonality, the seasonal nature of the Group's businesses could give rise to some cash pressures during periods when collections are structurally lower.

With regard to trade credit risk, which is defined as the possibility that a third party will not meet its contractual obligations, thereby causing losses for the Group, the Group assesses the ageing of receivables and constantly monitors the management of collections and payments associated with all its activities, as well as the maturities of financial and commercial debt and recurrently analyses other sources of financing in order to cover expected cash requirements in the short, medium and long term.

To mitigate this risk the Group has a Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") to meet operational needs for a maximum amount of up to EUR 240 million, that is fully drawn as of December 31, 2023. Likewise, the rest of subsidiaries of the Group have at December 31, 2023 undrawn credit facilities and other credit lines amounting to EUR 19.1 million (*see note 11.b of the consolidated notes*). In addition, as of December 31, 2023, the Group had a cash available of EUR 166.6 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

7. *Risk of write down of intangible assets, goodwill and tax credits.*

On December 31, 2023 the group had recognised in its consolidated balance sheet intangible assets amounting to EUR 104 million (10.7% of total assets), goodwill amounting to EUR 118 million (12.1% of total assets) and deferred tax assets of EUR 58 million (6.0% of total assets).

In the analysis of the determination of the recoverable amount (in accordance with current accounting regulations) and thus in the valuation of intangible assets and goodwill, as well as in estimating the recovery of tax credits, estimates are used, made as of the date determined on the basis of the best information available at that date. However, it is possible that future events may make it necessary to change these estimates downwards (i.e., a deterioration in them global macroeconomic situation), which would result in the recognition in the income statement of accounting losses due to the effect of these new negative estimates on the valuation of intangible assets, goodwill and tax credits recognised.

In relation to tax credits, there is a risk of changes or divergences in the interpretation of tax rules in Spain or other jurisdictions in which the Group operates, that could affect the recoverability of these tax credits, together with the Group's ability to generate taxable profits in the period in which such tax credits remain deductible.



### 3.2. Strategic and operational risks

#### 8. *Risk related to economical and geopolitical macroeconomic.*

The geographical location of the Group's activities is currently concentrated in Spain and Latin America (Brazil, Mexico, Colombia, Chile and Argentina, among others).

In 2023 63.1% of the Group's operating revenues came from international markets. While America (Latin America+USA) is a significant geographic market for the Group, Spain continues to maintain a relevant weight, representing 36.9% of the Group's operating revenues for 2023.

Any adverse change affecting the Spanish and Latin American economy (such as the tensions and military developments around Ukraine, as well as in the Middle East (particularly the conflict between Israel and Hamas), the tensions of recent years, mainly commercial, between the United States and China, Brexit and rise of populism, among others) could affect the spending of the Group's customers, present or future, on the Group's products and services and therefore also affect the Group directly. PRISA operations and investments may also be affected by different risks that are typical to investments in countries with emerging economies or with unstable backdrops, such as currency devaluation, capital controls, inflation, expropriations or nationalisations, tax changes or changes in policies and regulations.

#### 9. *Risk of higher commodity costs and inflation in the current environment.*

In the first half of 2022, the onset of the Russia-Ukraine conflict and the uncertainties surrounding it have contributed to a further gradual deterioration of the macroeconomic environment, leading, among other things, to significant new market disruptions, instability and volatility, further disturbing delays in global supply chains, which has translated into a tendency towards moderation to a greater or lesser extent (even negative) in the growth of economies (GDP) and an increase in inflation.

Although the Group has no direct exposure to Russia, the tensions surrounding the Russia-Ukraine conflict could adversely affect the Group (mainly the advertising revenues). Factors such as inflation, the volatility of energy prices, the increase in the cost of raw materials and other industrial costs and the extension of delivery times by suppliers or the limited supply of goods due to lack of inventories (stock), have the effect of worsening the general economic situation and consumption in particular, which could have a negative impact on the PRISA Group. Therefore, the aforementioned conflict and its macroeconomic impacts, which will depend on future and uncertain events, including their intensity and persistence over time, could adversely impact key indicators for the Group. While the PRISA Group generally attempts to pass on operating cost increases and inflation to customers, there is no guarantee that the Company will be able to do so due to competitive pressures and other factors.

10. *Risk of digital transformation, changing trends and emergence of new players and competence in Education and Media businesses.*

In both the Education and Media businesses, competition between companies, the emergence of new players and changing trends represent threats and new opportunities for the Group's traditional business models.

In the Education business the Group competes with both traditional players and new, more digital operators focused on education systems offering alternative content and services and smaller businesses (educational start-ups, online portals, etc.). In addition, there is a growing trend towards open access to educational content (usually via online sites), a proliferating market for second-hand materials and an increasing number of schools not using books and developing new content within the scope of curricular autonomy at school level. This set of trends, in this competitive environment, puts downward pressure on the prices of educational content and services in the Group's main markets.

In the Media business, overall revenues (advertising, circulation and other) continue to be negatively impacted by the growth of alternative means of content distribution. The user has changed access to content consumption: significantly increases consumption through digital media and, at the same time, incorporates the offer of the new digital operators into what the traditional media have to offer. The proliferation of these alternative means of content distribution has significantly expanded the options available to consumers, resulting in audience fragmentation, as well as an increase in the inventory of digital advertising space available to advertisers, which affects and is expected to continue to affect the Group's Media businesses.

11. *Risk of concentration of customers in the public sector (Education).*

The Education segment main customers in the public education market are governments and public bodies in the various jurisdictions in which it operates.

Consequently, in the event that the economic situation in these countries deteriorates, regulatory or public policy changes occur or existing contractual relationships are not renewed, without the Group being able to replace them with others on materially similar terms, there could be a material adverse impact.

12. *Risk of deterioration of the advertising market of the Media business.*

A significant part of PRISA Group's operating revenues come from the advertising market, in its Media business. During 2023 advertising revenues from the Group's Media division accounted for 34.3% of the Group's operating revenues.

Generally speaking, spending by advertisers tends to be cyclical and reflects the general economic situation and outlook. Therefore, in the event of a worsening of macroeconomic magnitudes in the countries in which the Group operates, the advertising invest prospects of the advertisers could be negatively affected.

The Company cannot predict the advertising market's trend in the short, medium and long term, and given the large, fixed cost component associated with businesses with a high weighting of advertising revenues, a fall in advertising revenues would have a direct impact on the margins and results of Media business, with the consequent negative impact on the Group and its cash's generation capacity.

13. *Risk related to Group's dependence on IT systems (cybersecurity).*

The businesses in which the Group operates are heavily reliant on information technology ("IT") both in terms of "back office" (systems that businesses use to operate their businesses: Enterprise Resource Planning (ERP), content management, advertising, broadcasting, etc.), as well as in the front office and the solutions that the Group's businesses offer the market as part of their value proposition: from the websites and apps of digital properties in the area of Media, to the technological platform and educational systems in the area of Education.

IT systems are vulnerable with respect to a range of problems, such as hardware and software malfunctions, computer viruses, hacking and physical damage to IT facilities. In particular, the Group operates in an environment of increasing cyber threats in recent years.

This is why IT systems need regular upgrades, some of which are carried out on a preventive basis. However, the Group may not be able to implement the necessary upgrades in a timely manner or the timely upgrades may not work as planned. In addition, the Group may not have sufficient capacity to identify technical vulnerabilities and security weaknesses in operational processes as well as in the ability to detect and react to incidents. Although the Group has outsourced IT management services and undertaking innovation projects in certain Group companies to various technology providers, if the provision of these services were not to continue or were to be transferred to new providers, the Group's operations could be affected.

14. *Risk for the proliferation of sectoral regulation.*

The PRISA Group operates in regulated sectors and is therefore exposed to regulatory and administrative risks that could adversely affect its business.

In particular, the Group's radio business is subject to the obligation to hold concessions or licences depending on the country in which the Group operates to undertake this activity. These concessions and licences are obtained directly by the Group or through third parties by entering into licence lease agreements. There is therefore a risk that existing licences may not be renewed due to various factors (some of which may be beyond the Group's control), that they may be modified or revoked, as well as that upon termination of existing licence leases the relevant third parties may not wish to renew them with the Group or may renew them on less favourable terms.

In addition, the Group's Education business is subject to the education policies approved by the governments of the countries in which operates. In this respect, the Education business could be affected by legislative changes arising, for example, from the succession of governments, changes in contracting procedures with public administrations or the need to obtain prior administrative authorisations regarding its content. Curricular changes require

the Group to modify its educational content, which in turn requires additional investments, and there is a risk that the return on these investments may be lower than expected.

15. *Regulation risk to extensive antitrust and merger control regulations.*

PRISA businesses are subject to many regulations in terms of fair competition, control of economic mergers or anti-monopolistic legislation at a global or local level.

In this regard, the Group is exposed to the risk of potential non-compliance with applicable antitrust or merger control regulations, which in turn exposes the Group to the risk that the competition authorities and agencies of the countries in which the Group operates may initiate disciplinary proceedings against the Group. This could eventually lead to the imposition of economic sanctions on the Group and damage its reputation in the markets in which it operates.

16. *Litigations and third parties claim risks.*

PRISA Group companies are exposed to claims from third parties, as well as to administrative, judicial and arbitration proceedings arising as a result of undertaking their activities and business, the scope, content or outcome of which cannot be predicted. Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations. PRISA is also exposed to liability for the content in its publications and programs.

Although provisions have been made for litigation and contingencies of probable occurrence (probability of more than 50%), there are a number of large litigation cases for which no provision has been made, as they have been classified as possible or remote risk by the Group's internal and external legal advisors.

17. *Intellectual property risk.*

The Group's businesses largely depend on the intellectual and industrial property rights over, among other items, brands, literary content or technology wholly developed by the Group. Brands and other intellectual and industrial property rights comprise one of the pillars of success and maintenance of the Group's competitive advantage. However, there is a risk that third parties, without the Company's authorisation, may attempt to copy or otherwise obtain and misuse content, services or technology developed by the Group.

Similarly, recent technological advances have made it much easier for unauthorised reproduction and distribution of content through various channels, making it more difficult to enforce the protection mechanisms associated with intellectual and industrial property rights. In addition, the Group's international presence entails the risk that it may not be able to protect intellectual property rights efficiently in all jurisdictions in which it operates.

18. *Risk related to the increase in royalties for the use of third party intellectual property rights.*

In order to use third-party intellectual property rights, the Group has non-exclusive paid-for permission from management companies servicing the owners of these rights.

To the extent that the Group is not involved in determining the economic consideration for the use of these rights, there is a risk that significant upward variations in the amount of this consideration could have a negative impact on the Group's business.

*19. Data protection risk.*

The Group has a large amount of personal data at its disposal through undertaking its business, included those related to employees, readers and students. Therefore, the Group is subject to data protection regulations in the various countries where it operates.

The growing digital activity of the Group's businesses entails a particular risk related to the IT management of personal data, which could result in security breaches of varying scope and severity occurring.

Failure to comply could result in reputational damage to the Group and the payment of significant fines. In addition, any disclosure of such personal information by unauthorised third parties or employees could affect the Group's reputation, limit its ability to attract and retain consumers or expose it to claims for damages suffered by individuals to whom the personal information relates.

**3.3. ESG risks**

See section 5 of the Consolidated Directors' Report of 2023.

**3.4. Criminal compliance risks**

See section 5 of the Consolidated Directors' Report of 2023.

**3.5. Reputational risks**

See section 5 of the Consolidated Directors' Report of 2023.

**4. CORPORATE GOVERNANCE**

In compliance with commercial law, the Annual Corporate Governance Report (ACGR), which details all corporate governance aspects at Prisa, forms part of this management report, and was authorized for issue by the Board of Directors. The ACGR is available at [www.prisa.com](http://www.prisa.com).

The Annual General Meeting and Board of Directors are the Company's most senior governance bodies, and their operation and decision-making process are described in detail in the ACGR.

Without prejudice to the above, some of the key aspects of Prisa's corporate governance are set forth below, as well as the important changes that have occurred during the 2023 financial year:

i. Board of Directors and Board Committees:

- During the first half of the year, resigned the proprietary director Mr. Khalid bin Thani bin Abdullah Al Thani as well as the independent directors Ms. María Teresa Ballester and Mr. Rosauro Varo.
- In February 2023, and to fill the vacancy on the Board following the resignation of Mr. Al Thani, Ms. Pilar Gil Miguel (CFO of Grupo PRISA) was appointed director, with the category of executive, by cooptation.
- At the Ordinary Shareholders' Meeting held in June 2023, the following agreements were adopted: (i) increase the number of directors from 14 to 15 (ii) Re-election of the proprietary directors Mr Joseph Oughourlian and Mr Manuel Polanco and re-election of the independent director Mrs Béatrice de Clermont-Tonnerre, (iii) ratify the appointment by cooptation of Ms. Gil (who was also re-elected as a director for a new 3-year term), (iv) appointment of Mr Fernando Carrillo Flórez and Mrs Isabel Sánchez García as independent directors and (v) appointment of Mr Miguel Barroso Ayats as proprietary director. Since March 2021, Mr. Barroso was the natural person representing the director Amber Capital UK, LLP on the Board of Directors of PRISA but, being a legal entity, could not be re-elected as a director in accordance with current law.
- At the meeting of the Board of Directors held on June 27, following the Shareholders' Meeting, Ms. Margarita Garijo-Bettencour was appointed director, by cooptation, with the category of independent director, to fill the vacancy of Mr. Rosauro Varo (who had resigned after the call of the General Meeting).

Likewise, at the aforementioned meeting of the Board of Directors, it was agreed to appoint the independent director Mr. Fernando Carrillo as First Vice-Chairman of the Board of Directors and as Coordinating Director, as well as to appoint the executive director Ms. Pilar Gil as Second Vice-Chairwoman of the Board of Directors.

Thus, at the end of 2023, Prisa's Board of Directors had 15 members (3 Executive Directors, 5 proprietary directors and 7 independent directors), with different academic profiles and respectable track records (profiles and bios available at: [www.prisa.com](http://www.prisa.com)).

The Board of Directors has a non-executive chairman, a non-executive first vice president (who is also the coordinating director) and an executive second vice president. The chairman of the board is responsible for organizing the board and promoting and developing the good governance of the company as provided for in the Board Regulations.

## ii. Senior Management

The Senior Management is made up of the following executives: PRISA CFO (who also is executive director of PRISA); Executive Chairmen of Santillana and Prisa Media (who are, in turn, executive directors of PRISA); Secretary of PRISA Board of Directors; Head of Corporate and Institutional Relations, Head of Communication, Chief Sustainability Officer, Head of People and Talent and Head of Internal Audit.

The only change in this group during 2023 was the replacement of Ms. Cristina Zoilo by Ms. Ana Ortas as Head of Communication.

As per the Company's Board of Directors Regulations and pursuant to the Corporate Enterprises Act, the Board have non-delegable powers to determine certain general strategies and policies of the Company and make certain decisions (including the strategic or business plan; management objectives and annual budgets; investment and financial policy; tax strategy; risk management and control policy; oversight of the internal control and information systems; approval of financial reporting; dividends policy; treasury share policy; corporate governance and sustainability policies; the appointment and dismissal of board members and certain directors; investments or operations of all types which due to their high amount or special characteristics, are of a strategic nature or involve special tax risk for the Company; approval of the incorporation of or acquisition of equity stakes in special purpose vehicles or institutions domiciled in tax havens; agreements concerning mergers, spin-offs and any material decisions that could affect the Company's status as a listed company; approval of related-party transactions; annual evaluation of the Board of Directors' performance, etc.).

Grupo PRISA's activities are grouped into two main business areas: Education (Santillana) and Media (Radio and News). In addition to the aforementioned business units, Grupo Prisa has a Corporate Center (PRISA) that defines the Group's strategy and ensures the alignment of its businesses with this corporate strategy.

Two of the executive directors (Mr. Francisco Cuadrado and Mr. Carlos Nuñez) are, respectively, the heads and Executive Chairmen of the Group's two businesses (Santillana and PRISA Media) and are responsible for overseeing the management of those businesses and leading senior managers within the scope of the business units with whose management they have been entrusted. Ms. Pilar Gil (also an executive director) is the Group's Chief Financial Officer. Her position is located at the PRISA Corporate Center and she is responsible, hierarchically and functionally, for several areas of great strategic importance for the Company.

The Board of Directors of Prisa has a Delegated Committee which has been granted all the powers and competencies of the Board that can be delegated, in accordance with the Law and with the limitations established in the Regulations of the Board of Directors.

Senior managers are appointed by the Board and they report directly to the Board.

Each of the commissions of the Board (Delegated Committee, Audit, Risk and Compliance Committee; Nominations, Compensation and Corporate Governance

Committee and Sustainability Commission) has functions in their respective areas. The composition and functions of these committees are described in the ACGR.

## 5. NON- FINANCIAL INFORMATION STATUS

The Company is exempt from the obligation to present a non-financial information status in accordance with the requirements established in Law 11/2018, of 28 December, as the required information is included, in an aggregated form, in the non-financial information statement presented in the consolidated financial statements report of Promotora de Informaciones, S.A.. The aforementioned report is sent separately to the CNMV and can be consulted on the website [www.cnmv.es](http://www.cnmv.es) and [www.prisa.es](http://www.prisa.es).

## 6. RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITIES

The Group does not directly conduct specific research and development activities. Nevertheless, it is constantly adapting applications and management processes to changes occurring in its businesses, as well as technological changes. It participates in and is a member of various international and domestic associations and forums which enable it to identify possible improvements or opportunities to innovate and develop its services, processes and management systems.

### *Education:*

In a world where education is rapidly evolving towards more flexible and accessible formats, **Santillana's** platforms continue to be leaders in facilitating teaching and learning.

With tools such as e-stela and RLP (Richmond Learning Platform), which simplify collaboration, communication and effective learning in all subjects; Pleno, which provides detailed assessments of student progress; and EDI (Integrated Digital Ecosystem), where all school services are integrated into a single environment, the company remains at the forefront of online and hybrid education.

In 2023, these solutions surpassed 153 million sessions and 3.3 million active users, expanding EDI's reach to new markets in Latin America (Colombia, Guatemala, Chile, Honduras and El Salvador), as well as consolidating its presence in Brazil and Mexico.

At the same time, the company continues to focus on innovation, with the launch of new educational solutions for performance-based learning analytics and socio-emotional components such as UNOintelligence and iM-PROVE.

In line with its commitment to the security of its digital platforms and services, in 2023 Santillana implemented interoperability standards, such as OneRoster, and evolved its identity provider Santillana Connect to version 2.0, which incorporates the latest authentication standards (OpenID Connect) bringing greater robustness to the digital ecosystem.

In addition, its platforms have an availability of over 99.9%, resulting in a secure and reliable digital offer for schools, pupils and families.



In this way, Santillana continues on its path to empower teachers, students and families, offering a digital ecosystem that not only responds to the current needs of education, but also anticipates the challenges of the future.

*Media:*

In **Media**, work continued along the lines set out in the 2021-2024 Technology Master Plan, with key milestones for the modernisation and replacement of legacy systems with modern alternatives based on Cloud and Edge technologies. This paves the way to ensure competitiveness in both Radio and News in the medium term and to face market uncertainties from a position of technological strength.

During 2023, a number of projects were launched with technology partners:

- "Next Level audio and video Experience" project. An Audio/Video project aimed at providing users of PRISA brands with a wide catalogue of podcasts, video posts and high-quality video content in a unified experience.
- "Drive & Listen" project. Audio Project that aims to offer online drivers an audio experience that is relevant and safe to use: a framework for Android Automotive Applications (AAOS) equipped with tools capable of delivering relevant content to each user on the home screen, reducing search and navigation and minimising distractions. The content offer will change depending on whether the car is parked, stationary or moving.
- "Reimagining the user experience" Data project. It will enable PRISA to become a user experience-centric group by blending editorial vision with an AI and data-driven approach and an agile operating model. Growing through existing core pillars: Advertising, User insight (data) and Digital paid subscriptions.
- "Audio Fact Checking" project. Audio project aimed at generating an audio verification platform for Prisa Media America to verify the integrity of the information generated in audio in the region. The objective of this project is to enhance the credibility of Prisa Media's journalistic brands in Colombia, Chile, and Mexico and establish trust among listeners of radio and audio information.

## 7. LIQUIDITY AND CAPITAL RESOURCES

### 7.1. Financing

Note 7.3 "*Financial Liabilities*" of the accompanying notes to the financial statements of Prisa for 2023 provides a description of the use of financial instruments by the Company.

### 7.2. Contractual commitments

There are currently no significant firm contractual commitments that require a cash outing in the future.

### 7.3. Liquidity

Note 8 “Cash and Cash equivalents” to the PRISA’s financial statements of 2023 details the cash and other cash equivalents held by the Company at the end of the year.

### 7.4. Dividends policy

Prisa does not have a set dividend policy, and so the Group’s distribution of dividends is reviewed annually. In this respect, the distribution of dividends depends mainly on (i) the existence of profit that can be distributed and the Company’s financial situation, (ii) its obligations regarding debt servicing and those arising from commitments acquired with its financial creditors in the Group’s financing contracts, (iii) the generation of cash arising from its normal course of business, (iv) the existence or non-existence of attractive investment opportunities that could generate value for the Group’s shareholders, (v) the Group’s reinvestment needs, (vi) the implementation of Prisa’s business plan, and (vii) other factors Prisa should consider relevant at any given time.

## 8. TREASURY SHARES

PRISA has performed, and may consider performing, transactions with treasury shares. These transactions will always be for legitimate purposes, including:

- Undertaking treasury share acquisitions approved by the Board of Directors or pursuant to General Shareholders’ Meeting resolutions.
- Covering requirements for shares to allocate to employees and management.

The operations of treasury shares, don’t realize on the basis of privilege information, nor respond to an intervention purpose in the free process of price formation.

At December 31, 2023, Promotora de Informaciones, S.A. held a total of 4,997,108 treasury shares, representing 0.496% of its share capital.

Treasury shares are valued at market price at December 31, 2023, 0.29 euros per share. The market value of the treasury shares at December 31, 2023 amounts to EUR 1,449 thousand.

At December 31, 2023, the Company did not hold any shares on loan (*see note 9 and heading “Treasury share” to the PRISA’s financial statements 2023*).

## 9. SHARE PERFORMANCE

### *Description of Prisa's shareholder structure.*

PRISA's share capital on December 31, 2023 consisted of EUR 100,827 thousand and was represented by 1,008,271,193 ordinary shares all of which belong to the same class and series, with a par value of EUR 0.10 each, fully paid up and with identical rights. On December 2022, Prisa's share capital amounted to EUR 74,065 thousand and was represented by 740,650,193 ordinary shares, all of the same class and series, with a par value of EUR 0.10 each. During fiscal year 2023, share capital has been increased by a total amount of 267.6 million ordinary shares with a par value of EUR 0.10 each which corresponds to the conversion of 267,621 convertible notes into new shares (*see note 9 of the accompanying notes*).

These shares are listed on the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) through the Spanish Stock Exchange Interconnection System (SIBE).

At year-end 2023, the most representative shareholders in the share capital of the company are Mr. Joseph Oughourlian (through Amber Capital UK LLP), Vivendi, Global Alconaba, Rucandio, Control Empresarial de Capitales, Shk. Dr. Khalid Bin Thani Bin Abdullah Al-Thani (through International Media Group), Mr. Roberto Alcántara Rojas (through Consorcio Transportista Occher SA) and Banco Santander. The company's free float is around 23%.

### *Prisa's share price performance*

Prisa's ordinary share price in 2022 ended at EUR 0.281 (December 30, 2022) and in 2023 closed at EUR 0.290 per share (December 29, 2023), which means a revaluation of 3.20% over the year.

PRISA's share performance in 2023 has been held quite flat, nevertheless still impacted by the global macroeconomic situation, conditioned by the armed conflicts in Ukraine and Middle East.

During fiscal year 2023, the Company's Directors have continued focusing their efforts on the reinforcement of the Group's financial and equity structure. For this purpose, in February 2023 the Group completed the issue of EUR 130 million mandatory convertible Notes. This operation has led to a reduction in the financial cost of debt, having enabled the early repayment of EUR 110 million of the most expensive tranche, this is the Junior tranche (*see note 7.3 to the PRISA's financial statements 2023*).

The following chart shows the performance of the PRISA Group's shares relative to the IBEX35 index in 2023 (indexed to the stock performance at December 30, 2022):



Source: Bloomberg (30<sup>th</sup> December 2022- 29<sup>th</sup> December 2023)

## 10. AVERAGE SUPPLIER PAYMENT TIME

According to the information required by the third additional provision of Law 15/2010, of 5 July (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, the average period of payment to suppliers in commercial operations for the companies located in Spain rises, in 2023, to 54 days (*see note 7.3*).

The maximum legal period of payment applicable in 2021 under Law 3/2004, of 29 December, and its amendment by Law 15/2010, of 5 July, for combating late payment in commercial transactions, is by default 60 days.

## 11. EVENTS AFTER THE BALANCE SHEET DATE

### New issuance of subordinated notes

On January 30, 2024 the Board of Directors of PRISA, within the framework of the analysis of different strategic alternatives in order to continue reducing the financial debt of the PRISA Group and the financial costs associated therewith, has unanimously agreed to carry out in the near future an issuance of subordinated notes mandatorily convertible into newly issued shares of PRISA, with recognition of the preemptive subscription rights of the Company's shareholders, for a nominal amount of approximately EUR 100 million (the "New Issuance"), which will be implemented through a public subscription offer (the "Offer"). The purpose of the Offer will be to obtain funds mainly for, on the one hand, to cancel the Junior tranche of the syndicated financial debt of the PRISA Group which is tied to Euribor+8% and, on the other hand, to foster the growth opportunities of the business units of PRISA Group. In this regard, as of December 31, 2023, the Junior syndicated loan amounts to EUR 86,967 thousand (*see note 7.3 of the attached notes*).

The final terms and conditions of the New Issuance will be fixed at the meeting of the Board of Directors of PRISA that will be held on March 12, 2024, after the authorization of issue of the consolidated annual accounts. Details of the Offer, including its limitations and restrictions, as well as the definitive terms and conditions of the New Issuance will be published prior to the commencement of the Offer, following the publication of the aforementioned PRISA's audited consolidated annual accounts for the year 2023.

Following the communication of the New Issuance, the Board of Directors of PRISA also agreed, at its meeting also held on January 30, 2024, to open an extraordinary conversion period for the subordinated bonds issued by PRISA in February 2023 (*see note 1b*) in accordance with its provisions of terms and conditions. A conversion and early amortization of 20,287 subordinated obligations has been requested, which has entailed the issuance of 20,287,000 new ordinary shares of PRISA. Consequently, the share capital of PRISA, after the formalization of the corresponding capital increase, has been set at EUR 102,856 thousand and is represented by 1,028,558,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros.

### **Ruling on the award between Prisa and Cofina**

In September, 2019 the Board of Directors of Prisa agreed to sell to Cofina SGPS, S.A. ("Cofina") its 100% stake in Vertix SGPS, S.A. ("Vertix"), owner of a 94.69% interest in the Portuguese listed company Grupo Media Capital SGPS, S.A. ("Media Capital"). The purchase and sale agreement between both parties included, among other things, the deposit of EUR 10,000 thousand by Cofina in an escrow account as a guarantee for the transaction and the advance payment of the agreed price, which has not been available since then and until December 31, 2023, as indicated in note 8 of the attached notes.

On March 11, 2020 Cofina voluntarily waived to continue with the share capital increase approved by Cofina's shareholders on January 29, 2020 to finance part of the purchase price, which implied a breach of the share purchase agreement and its termination. In this regard, on April 15, 2020 the Company filed an arbitration request before the *Centro de Arbitragem Comercial da Câmara do Comércio e Indústria Portuguesa* ("*Arbitral Tribunal*") in accordance with the sale and purchase agreement.

On February 22, 2024 the aforementioned Arbitral Tribunal has unanimously issued the award that declares that Cofina breached its obligations under the share purchase agreement signed between PRISA and Cofina in September 2019, regarding the sale of all the shares from Vertix SGPS, S.A. and that agreement was therefore automatically terminated on March 11, 2020, so PRISA is entitled to receive the down payment in the amount of EUR 10,000 thousand, obliging Cofina to take all necessary actions to make this amount available to the Company. On March 1, 2024 the amount deposited in the escrow account has been transferred to another bank account in the name of the Company, being therefore available.

This will have a positive impact on the Company's 2024 income statement in the amount of EUR 10,000 thousand (derecognising the liability recorded under "*Other financial liabilities*" (*see note 8*)), reduced by arbitration and similar costs to the extent that following said resolution, and not before, the realisation of the income is virtually certain and is no longer contingent.

This resolution and the availability in favour of PRISA of the amount that was deposited in the escrow account is independent of the Media Capital sale process that was executed after March 11, 2020.

Furthermore, the Arbitration Court has ordered Cofina to pay PRISA the interest accrued from March 11, 2020 until the final date of payment of the amount deposited in the escrow account.

The Arbitral Tribunal dismiss all the remaining claims of the parties.

## **12. ANNUAL CORPORATE GOVERNANCE REPORT**

The Annual Corporate Governance Report is part of the Director's Report in accordance with the Capital Companies Act. The aforementioned report is sent separately to the CNMV and can be consulted on the website [www.cnmv.es](http://www.cnmv.es) and [www.prisa.es](http://www.prisa.es).

## **13. ANNUAL BOARD OF DIRECTORS REMUNERATION REPORT**

The Annual Board of Directors Remuneration Report is part of the Director's Report in accordance with the Capital Companies Act. The aforementioned report is sent separately to the CNMV and can be consulted on the website [www.cnmv.es](http://www.cnmv.es) and [www.prisa.es](http://www.prisa.es).

**DECLARACION DE RESPONSABILIDAD SOBRE LAS CUENTAS ANUALES E INFORME DE GESTIÓN CORRESPONDIENTES AL EJERCICIO 2023, DE PROMOTORA DE INFORMACIONES, S.A. Y SOCIEDADES DEPENDIENTES.**

***AFFIDAVIT OF ASSUMPTION OF LIABILITY WITH RESPECT TO THE 2023 ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT OF PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES***

12 de marzo de 2024

Conforme a lo dispuesto en el art. 8 del Real Decreto 1362/2007 de 19 de octubre, todos los miembros del Consejo de Administración de PROMOTORA DE INFORMACIONES, S.A. declaran que responden del contenido de las cuentas anuales e informe de gestión (que incluye, por referencia a la página web de la CNMV, el Estado de Información no financiera, el Informe Anual de Gobierno Corporativo y el Informe de Remuneraciones de los consejeros) correspondientes al ejercicio 2023, tanto individuales de PROMOTORA DE INFORMACIONES, S.A. como de su grupo consolidado, que han sido formuladas con fecha 12 de marzo de 2024 siguiendo el Formato Electrónico Único Europeo (FEUE), conforme a lo establecido en el Reglamento Delegado (UE) 2019/815, en el sentido de que, hasta donde alcanza su conocimiento, han sido elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados del emisor y de las empresas comprendidas en la consolidación tomados en su conjunto, y que el informe de gestión consolidado incluye un análisis fiel de la evolución y los resultados empresariales y de la posición del emisor y de las empresas comprendidas en la consolidación tomadas en su conjunto, junto con la descripción de los principales riesgos e incertidumbres a las que se enfrentan.

*Pursuant to the provisions of Article 8 of Royal Decree 1362/2007 of October 19, the members of the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. hereby declare that they are accountable for the content of the 2023 annual accounts and management reports (which include, by reference to the CNMV website, the non-financial information, the Annual Corporate Governance Report and the Directors' Remuneration Report) of both PROMOTORA DE INFORMACIONES, S.A. and its consolidated Group, which were drawn up on March 12, 2024 in the European Electronic Format (FEUE), in accordance with the provisions of Delegated Regulation (EU) 2019/815, in the sense that, to the best of their knowledge, they have been calculated according to applicable accounting principles, they offer a true and fair view of the assets, financial situation and results of the issuer and its consolidated companies as a whole, and the consolidated management report includes a true and fair analysis of the evolution, business results and position of the issuer and its consolidated companies as a whole, together with a description of the principal risks and uncertainties which they face.*

D. Joseph Oughourlian

D. Fernando Carrillo Flórez

D<sup>a</sup> Pilar Gil Miguel

D<sup>a</sup> Sylvia Bigio

D. Francisco Cuadrado Pérez

D.<sup>a</sup> Beatrice de Clermont-Tonnerre

D.<sup>a</sup> Carmen Fernández de Alarcón Roca

D.<sup>a</sup> Margarita Garijo-Bettencourt

D.<sup>a</sup> Pepita Marín Rey-Stolle

D. Carlos Nuñez Murias

D. Manuel Polanco Moreno

D.<sup>a</sup> Teresa Quirós Álvarez

D.<sup>a</sup> Isabel Sánchez García

D. Javier Santiso Guimaras

D. Andrés Varela Entrecanales